NORTHAMPTON-EASTHAMPTON ECONOMIC DEVELOPMENT STRATEGY

Introduction

The cities of Easthampton and Northampton share a declining industrial base along with a common border. Each has a significant need for business retention and development. Each has lost existing businesses and missed opportunities for attracting new ones because of a predominantly reactive rather than proactive business stance.

Job losses in Easthampton totaled close to 800 over the past 10 years. When the Kellogg Brush Manufacturing Company announced its departure to Ohio in 1997, taking with it 300 jobs, the City was caught by surprise. Similarly, Northampton had not been aware that JavaNet, an Internet service provider with a chain of computer cafes, had been looking outside the city for a place to accommodate its rapid growth and need for new headquarters. Business retention is not only an issue with older manufacturing companies seemingly under siege in a changing economy, but with successful new technological and service businesses as well.

In 1997, the two municipalities recognized that they share both economic problems and complementary assets. They teamed up with their Chambers of Commerce and the Pioneer Valley Planning Commission to develop the knowledge base, networks and strategies for holding on to their existing businesses and for attracting new ones. Under a grant from the Massachusetts Department of Housing and Community Development, they embarked on the Northampton-Easthampton Economic Development Strategy project, the results of which are presented in this report. Project components include:

- a characterization of the existing business environment;
- a survey and interviews to identify local business needs;
- a review of available sites for business expansion and relocation;
- a review of zoning regulations and permitting procedures;
- strategies and an action plan for business retention and expansion.

In addition, the project also involves the production of a "Business Resource Guide," providing information on business assistance programs and organizations, local permitting procedures, and community demographics. This is available as a separate document.

The project was directed by a steering committee with representation from the Northampton office of planning and community development, the Easthampton office of planning, the Greater Northampton Chamber of Commerce and the Pioneer Valley Plan for Progress. The Pioneer Valley Planning Commission and Karl Seidman Consulting Services were engaged to conduct project research and develop the strategy.

The project was carried out over a seven month period, from December 1997 through June of 1998. It was informed by a two-tiered public process: 1) monthly meetings of an advisory committee (see appendix for participants), and 2) community forums in April and June.

The advisory committee is continuing to meet to move forward on the recommendations given below.

Section I: Population and Economic Trends

This chapter introduces the two communities with basic demographic information, workforce characteristics, and economic trends.

1. Regional Context

Northampton and Easthampton are situated in the Pioneer Valley Region of western Massachusetts. This is the fourth largest metropolitan area in New England, encompassing the 43 municipalities of Hampden and Hampshire counties, including the city of Springfield. Both Northampton and Easthampton are considered part of the State Department of Employment and Training's Springfield Area Labor Market, and both are in Hampshire County.

2. Community Demographics

- ***Northampton and Easthampton have fairly stable populations, with little growth expected over the next decade.***

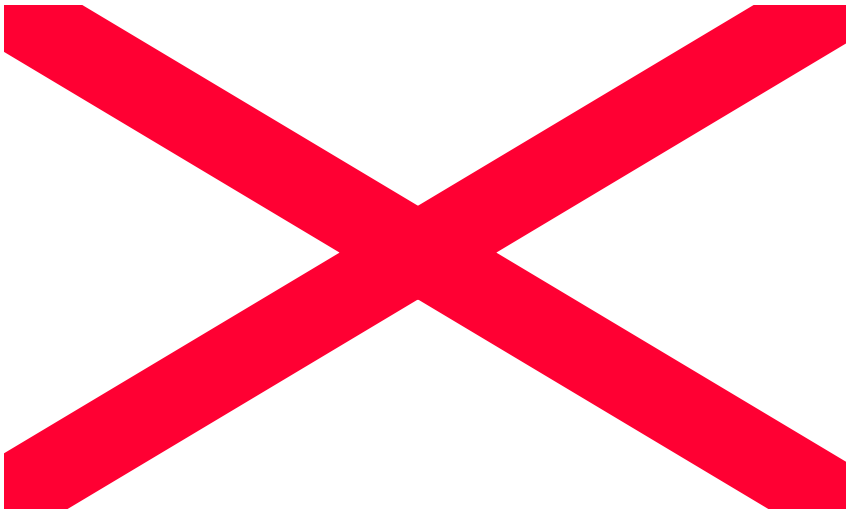
Current Population	
Northampton	**Easthampton**
30,898	15,744

Source: Northampton, 1997 municipal census; Easthampton, U.S. census (est.)

Population projections by the Massachusetts Institute of Social and Economic Research (MISER) for the years 1990-2010, forecast state growth trailing the nation, regional growth trailing the state, and growth in Northampton and Easthampton falling behind the region.

Population Changes and Projections		
	Population Change, 1970-1990	**Population Growth Projections, 1990-2010**
US	22.4%	19.7%
Massachusetts	5.8%	11.7%
Pioneer Valley Region	3.4%	10.2%
Northampton	-1.2%	3.8%
Easthampton	19.4%	-0.3%

Source: MISER



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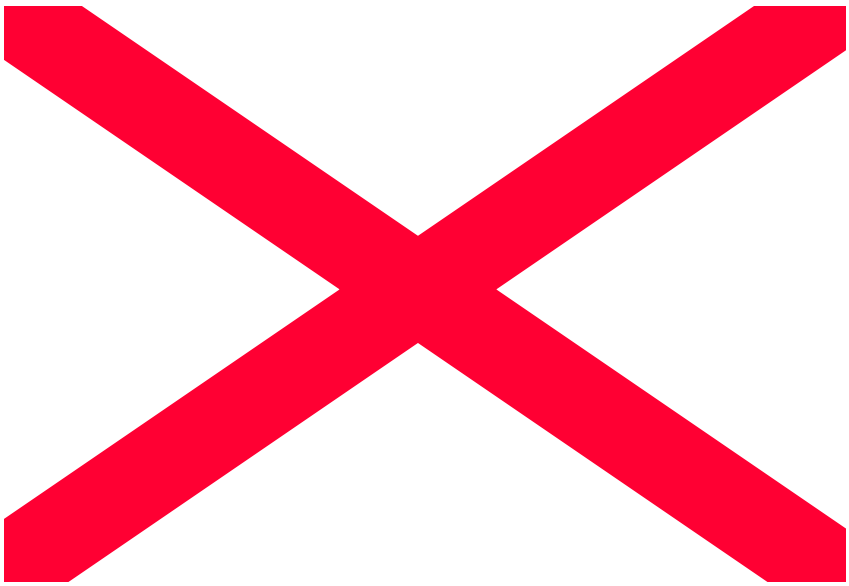
- ***Both cities' capita incomes are substantially below the state's***

  Per capita income during the decade between 1980 and 1990 grew at a slower rate than the state as a whole. In 1990, per capita incomes in both communities stood at 85% of the state level.

  Median income data provides a different picture, as Northampton's median 1990 household income was 12.5% higher than the state's, while Easthampton's median was 5% lower. Northampton's per capita income may reflect a relatively high poverty rate of 11% that year, as well as a relatively large student population. Easthampton's poverty rate in 1990 was 5%.



- ***Northampton's population is more educated than the state; Easthampton's less so***
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Highest Level of Educational Attainment for Adults			
	High School Diploma	**Bachelors Degree**	**Advanced Degrees**
Easthampton	78.5%	18.8%	6%
Massachusetts	80%	27.2%	9%
Northampton	81.9%	32.9%	13%

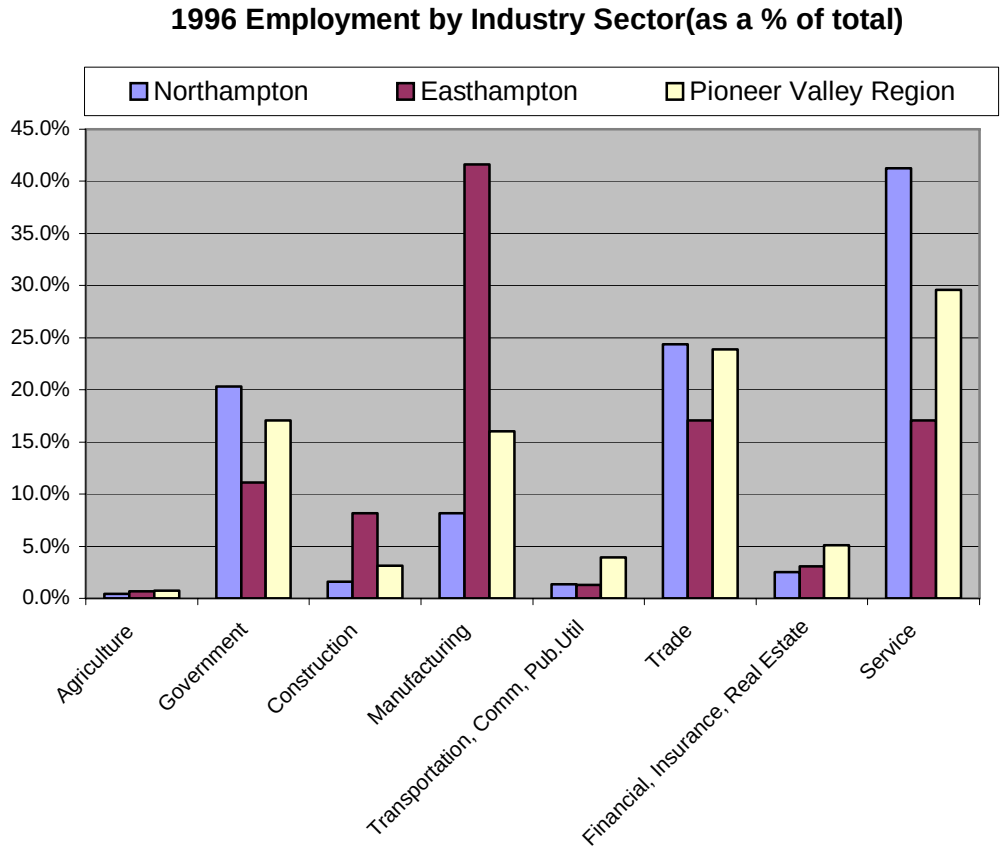
Source: 1990 U.S. census

3. Composition of the Local Economy

For the purpose of economic analysis, economic activity is divided into the following industrial sectors: Agriculture, Government, Construction, Manufacturing, TCPU (Transportation, Communications and Public Utilities), Trade (wholesale and retail trade, restaurants, bars, etc.), FIRE (Finance, Insurance, and Real Estate), and Services (personal services, health services, social services, business services, etc.).

These broad sectors are further broken down by 2 digit SIC (Standard Industrial Classification) codes. However, information for Northampton and Easthampton is limited at this more detailed level because of the relatively small size of their business communities. In many instances, data for a specific classification is suppressed to protect the confidentiality of the information individual firms report to the state about employment and wages. This occurs when there are fewer than three firms for a specific classification, or one firm has over 50% of employment for that SIC code. When possible, data from the AIM Directory of Massachusetts Manufacturers was used to provide details on local manufacturing employment.

To better understand the direction of the economic recovery in Northampton and Easthampton, the most current data available, from 1996, is compared to data from 1993, considered the first full year of national economic recovery. It is important to note however, that the recession of the late '80's and early 90's began sooner and was much deeper in New England than elsewhere in the nation, and the Pioneer Valley Region has yet to completely bounce back. Northampton is just approaching its peak employment levels of 1988, while Easthampton lags behind with a substantial 16% gap between 1996 and 1988 employment levels.



- ***The region has experienced a major shift from a manufacturing to service-based economy***

  Historically, the region's economy has been dominated by manufacturing — paper, metalworking, and industrial machinery. Recently and rapidly, this has shifted in line with national trends away from manufacturing and toward the services sector.

  Manufacturing's share of the regional economy dropped by more than half between 1980 and 1996. During that time, the region's job losses in manufacturing (27,856) were offset by a comparable increase in service jobs (27,117). There was a total net gain of 42,116 jobs for the period.

Employment by Sector Pioneer Valley Region & Nationwide				
	Services	**Trade**	**Manufacturing**	**Other**
1980 Pioneer Valley	22.0%	24.8%	33.5%	19.7%
1996 Pioneer Valley	30.0%	23.9%	16.0%	13.0%
1996 U.S.	34.5%	27.5%	18.5%	19.5%

Sources: Mass DET ES-2-2, 1990 U.S. Census, County Business Profiles

- ***Health, education and dining are the county's major industries***

  As noted above, 2 digit SIC information on industry categories is fully available at the county level only. The following table lists the leading categories for Hampshire County.

SIC Classification	SIC Number	# of Jobs in 1996 in Hampshire County	Industrial Sector
Health Services	80	4,439	Services
Education Services	82	4,383	Services
Eating & Drinking Places	58	4,178	Trade
Social Services	83	1,767	Services
Business Services	73	1,573	Services
Paper and Allied Products	26	1,127	Manufacturing
Rubber & Plastics	30	1,118	Manufacturing

- ***Though shrinking, manufacturing remains dominant in Easthampton***

  Manufacturing is the largest industrial sector in Easthampton, accounting for 41.6% of the city's jobs in 1996. This is significantly higher than regional and national averages for that year, at 16.0% and 18.5% respectively. It is, however, lower than the sector's 45.6% job share in 1993. And though data is unavailable for 1997 at this time, further declines have resulted from the departure of the Kellogg Brush Company, which took some 275 jobs to Ohio in 1997. Tubed Products, with more than 700 jobs, remains the city's largest employer by a large margin, making Rubber and Plastics a leading category within the sector. Textiles are also prominent.

While Easthampton has not yet returned to it's peak employment levels of 1988, the trade sector has shown some growth since the first full year of economic recovery in 1993, rising from 15.7% to 17%. Services slightly shed employment from 17.6% in 93 to 17% in 96. It should be noted though, that the presence of the Williston-Northampton private school, combined with the city's public schools, makes educational services a prominent employment category, giving Easthampton four times the national average of education job share.

- ***The Service sector is strong and growing in Northampton***

  Northampton experienced nearly flat growth in total employment between 1993 and 1996. This is not to say employment was static. The two strongest sectors in the city — services and trade — increased their share of the city's jobs, while jobs in government and manufacturing declined. These shifts in the city's economy are even more pronounced when comparisons are made with 1988 peak employment levels.

  Services account for the lion's share of jobs in Northampton. The sector came back very strongly since the recession, supporting 13% more jobs in 1996 than in 1988. Sector share in 1996 was 41.2% of total employment, up from 40% in 1993.

  Within the service sector, educational services is the most prominent subgroup, with the proportion of education jobs in Northampton at nearly five times the national average. This is due to the presence of Smith College, providing over 1,000 jobs, along with the Clarke School for the Deaf and county and municipal educational services. Health services are also more heavily concentrated in Northampton, owing to the location of the U.S. Veterans Administration Medical Center (833 jobs), the newly expanded Cooley Dickenson Hospital (566 jobs) and the associated services affiliated with theses hospitals.

  Trade's second place position in Northampton's economy grew from 22.9% to 24.4% between 1993 and 1996. At the same time, government's share of Northampton jobs dropped from 21.4% to 20.3%, while manufacturing's share went from 9.7% to 8.1%.

  Although Northampton employs only about half of the national average in manufacturing, the city does have one cluster in specialty instrumentation.

Employment by Sector						
	Northampton		Easthampton		Pioneer Valley Region	
	1993	1996	1993	1996	1993	1996
Services	40.0%	41.2%	17.6%	17.0%	28.0%	29.6%
Trade	22.9%	24.4%	15.7%	17.0%	23.0%	23.9%
Manufacturing	9.7%	8.1%	45.6%	41.6%	18.0%	16.0%
Government	21.4%	20.3%	10.0%	11.1%	17.0%	17.0%
Other	6.0%	6.0%	11.1%	13.3%	14.0%	13.5%

Source: Mass DET ES-202

When considered together, the Northampton and Easthampton employment data compliment each other, matching the employment sector shares of the larger regional economy and reflecting in microcosm the economic diversity of the region.

- ***Small businesses dominate the business landscape in Northampton and Easthampton***

  OF Northampton's 1,044 businesses roughly 40 have at least 50 employees; in Easthampton, some 10 of 301 businesses are that large. Manufacturers dominate Easthampton's major employers, while Northampton's range across sectors. Notably large employers include Smith College and the Cooley Dickenson Hospital in Northampton (1,372 and 850 jobs respectively) and Tubed Products in Easthampton (776 jobs).

  In contrast, service and trade businesses in Northampton both averaged 13 jobs per establishment in 1996. In Easthampton, the service sector averaged 4 employees and the trade sector averaged 8 employees. Regional averages for service and trade were 16 and 12 respectively.

  In the Pioneer Valley, manufacturing plants have become smaller, going from an average of 66 jobs per establishment in 1980 to an average of 42 jobs per establishment in 1995. At the county level (Hampshire) manufacturers are even smaller, averaging 30 employees per establishment.

Major Employers , Easthampton
Self-reporting sample from the *PVPC Major Employers Survey*, 1998

	Standard Industrial	Employees	
Employer	**Classification Division**	**Full Time**	**Total**
TUBED PRODUCTS, INC.	Manufacturing	626	776
NATIONAL NONWOVENS	Wholesale Trade	200	200
WILLISTON NORTHAMPTON SCHL, INC.	Services	140	190
TOWN OF EASTHAMPTON, INC.	Government	116	234
OCTOBER COMPANY, INC.	Manufacturing	115	125
JPS ELASTOMERICS CORP.	Manufacturing	100	100
RIVERSIDE INDUSTRIES, INC.	Services	90	204
LABRIE ASPHALT & CONSTRUCTION	Construction	60	62
EASTHAMPTON SAVINGS BANK	Finance, Insurance & Real Estate	56	73
CDI MANAGED CADD SERVICES	Services	55	55

Major Employers , Northampton
Self-reporting sample from the *PVPC Major Employers Survey*, 1998

Employer	Standard Industrial Classification Division	Employees Full Time	Employees Total
SMITH COLLEGE	Services	1,130	1,372
COOLEY DICKINSON HOSPITAL	Services	740	850
VETERANS ADMIN. MEDICAL CENTER	Services	660	716
CITY OF NORTHAMPTON	Government	300	310
KOLLMORGEN CORPORATION	Wholesale Trade	219	230
MASS. DEPT. OF MENTAL HEALTH	Government	165	170
HAMPSHIRE ED. COLLABORATIVE	Services	161	215
JUDICARY COURTS CMWTLH OF MA	Government	157	159
PRO CORP. -PMC	Manufacturing	150	151
SUN HEALTHCARE GROUP, INC.	Services	150	175
HAMPSHIRE COUNTY V.N.A.	Services	145	225
NORTHAMPTON NURSING HOME, INC.	Services	130	200
DAILY HAMPSHIRE GAZETTE	Manufacturing	115	150
FLORENCE SAVINGS BANK	Finance, Insurance, & Real Estate	110	125
MEDIPLEX GROUP, INC.	Services	109	159
CLARKE SCHOOL FOR THE DEAF	Services	105	150
NORTHAMPTON/CTR for CHILD/FAM.	Services	105	117
HAMPSHIRE COM. ACTION COMM.	Services	100	150
CHARTPAK, INC.	Manufacturing	95	98
HAMPSHIRE COUNTY LONG TERM CARE	Services	90	151
LINDA MANOR EXEC. CARE FACILITY	Services	89	165

- ***Job growth in Northampton and Easthampton lags behind the region***

  Between 1993 and 1996, the total number of jobs in the Pioneer Valley region grew by 4%. Though modest, this growth was faster than the population, which remained relatively stable during that time. Job growth in Northampton for that time period was smaller, at just 0.4%, while Easthampton lost 3.2 % of its jobs.

Job Growth 1993-1996

Area	Growth Rate
Pioneer Valley	4%
Northampton	0.4%
Easthampton	-3.2%

Source: Mass DET ES-202

- ***Women are represented in the workforce at higher levels locally than statewide***

  According to the 1990 Census in Massachusetts approximately 67.8% of all persons over the age of 16 were in the laborforce; Northampton laborforce participation matched the state level, while Easthampton's rate was slightly higher at 71%. Laborforce participation rates for females stood at 60.3% statewide, 64.3% for Northampton, and 62.9 for Easthampton. respectively.

- ***Most workers categorize themselves as managerial or technical***

  The 1990 Census data reports distributions in occupational categories that are not unexpected given the industrial sector mix of Northampton and Easthampton. Most Northampton residents, 36%, put themselves in the managerial category, with technical occupations coming in second at 28%. Both these categories led in Easthampton as well, but with the distribution reversed — technical occupations were most prominent at 30%, followed by managerial at 25%.

  Other categories were also well represented. In Easthampton, service, precision production, and operations and fabrication each accounted for about 14% of residents' occupational categories. In Northampton, 19% reported having service jobs.

Occupational Categories			
Occupational Category	**Northampton**	**Easthampton**	**Pioneer Valley**
Managerial	36%	25%	37%
Technical	28%	30%	32%
Service	19%	14%	15%
Precision Production	7%	14%	11%
Operations & Fabrication	9%	16%	15%
Other	1%	1%	1%

Source: 1990 U.S. Census

- ***Local unemployment has kept consistently at or below state levels***

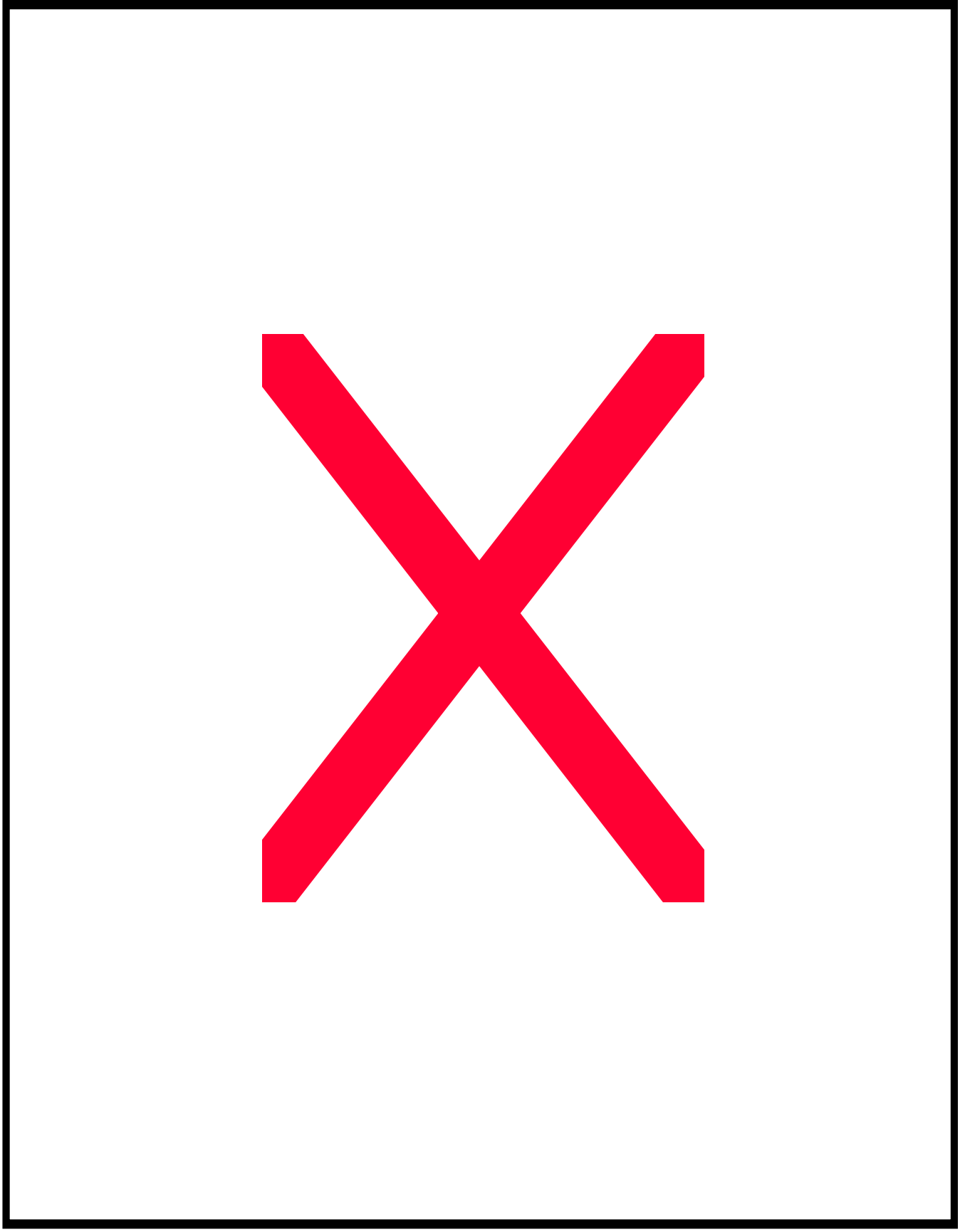
  Northampton's unemployment rate has tracked below the state's consistently for 12 years, although it follows the same general trends. It peaked at 7.1% in 1991, a full 2 points below the state average. In 1997, it fell to 2.6%.

Easthampton's unemployment over the past 12 years has been closer to state levels, matching the state rate of 9.1% in the worse year of the recession 1991. It , has generally followed the downward trend since then with a slight bump up in 1995, reflecting major plant closings including Kellog Brush**.** The city enjoyed an impressive 2 point improvement from 1995 to 1996, dropping from 5.8% to 3.9%, possibly due to overall gains in the Springfield and Holyoke manufacturing sector. In 1997, Easthampton's unemployment rate was slightly better than the state's 4.0% rate, coming in at 3.8%

- ***Local wages are below regional averages***

  Average annual wages in Northampton and Easthampton have been consistently below regional averages for the past twelve years, regardless of rising and falling trends within the two communities. In 1993, Northampton's average annual wage was roughly 89% of the Pioneer Valley average, while Easthampton's wages stood at 96% of the region's. By 1996, wages in both cities averaged about 91% of the regional figure of $27,487. This evening out can be attributed to larger rates of increase for Northampton and the region than in Easthampton, and to the loss of higher paying manufacturing jobs in Easthampton.

  Historically, wages in the Pioneer Valley region have been highest in the goods producing sectors of manufacturing and in contract construction. In 1991, the average annual wage for all sectors stood at $23,650. The manufacturing sector's average annual wage was $30,094, approximately 27% higher. Wages in wholesale trade were also higher, with annual salaries averaging $29,023 (+23%). In contrast, wages in the service sector averaged $21,872 annually, 28% below the mean. Those working in retail trade earned least — an average of $12,684, 45% lower than the average regional wage for all sectors.



- ***Northampton and Easthampton residents work close to home***

  Most people who live in Northampton work in Northampton — 61% according to 1990 Census data. Commutes are short, with more than half of all residents getting to work within 15 minutes.

  In Easthampton, roughly one in four workers, 28%, stays within the community, and another one in four travels to Northampton. About a third, 36%, have a commute taking less than 15 minutes. The vast majority, 78.1%, are at work within half an hour.

- ***Two car households are a minority***

  Northampton has one of the highest proportions of households without cars in the region, 13.1%, possibly owing to a large student population. Fewer than half, 45.7%, of the city's households have two or more cars. Similarly, in Easthampton, 47.1%, of households have one or no cars.

  Although public transportation has been cited at a need by some employers (see the section on the business survey, below) buses have not been a significant means of getting to work in either community. The 1990 Census reported 2.2% of Northampton workers commuting by bus, and 0.5% of workers in Easthampton doing so. Car pools appear popular in both communities, with 12.5% of Easthampton workers and 10.7% of Northampton workers participating in them.

Section II: Local Business Trends & Needs

Two primary mechanisms were used to increase understanding of the region's strengths and weaknesses for supporting business growth, and elicit feedback on specific state and local services. One was a business survey, the other a series of interviews with local and regional business leaders and economic development figures. In addition, a public forum was held in Northampton on April 18, 1998 and another in Easthampton on June 2, 1998, to present and discuss the information collected.

Surveys were mailed to 200 businesses during February, 1998, accompanied by a cover letter signed by the cities' mayors and heads of the Chambers of Commerce. The distribution list included all of the manufacturers and major employers (defined as entities with 50 or more employees) in the two communities, because of concerns about retention of these significant businesses. The balance of the list included businesses from the other sectors in proportion to their representation in the project cities. Company names were selected randomly.

The survey had a 25.5% response rate (51 returns). Both cities were well represented among respondents, with 27% of the responses from Easthampton and 73% from Northampton. This corresponds closely to each city's share of total establishments (22% and 78%, respectively). The distribution of responses across sectors was roughly 1/3 retail\wholesalers, 1/3 service firms, and 1/5 manufacturers. Service firms are under-represented and manufacturers over-represented versus their respective share of total establishments (43% and 6%); however, manufacturers represent 18% of all jobs.

A copy of the complete survey, including response data, is included in the attachments along with the list of interview subjects. A summary and interpretation of survey responses follows. Crosstabulations are provided to highlight major differences and similarities in responses for the region's three primary business sectors — manufacturing service and retail trade. While this data can be helpful, readers should be consider it with caution given the small number of responses within each sector for some questions.

1. Markets and Sales

- ***Businesses report increasing sales.***
  - 71% reported increased sales in the past three years while 4% reported decreased sales.
  - Sales growth was highest among service firms — 88% of service firms reported increased sales over past 3 years, with 41% reporting increases of 25% or more. The respective percentages for manufacturers are 70% and 30%, and for retailers, 65% and 12%.

- ***Respondents serve primarily local and consumer markets, reflecting the many retail and service business answering the survey.***

  - For both retail and service businesses, the average share of sales made to customers in Northampton and Easthampton is over 50% and the average share of sales made within the Pioneer Valley (including the two cities) is over 85%. For manufacturers, only 30% of sales, on average, are made within the Pioneer Valley while 60% are made elsewhere in the United States.

  - Exports average just 3% of sales with only one firm reporting substantial international sales. Half the manufacturers responding to the survey indicated the potential to expand exports from their Northampton or Easthampton facility; 24% of service firms and 14% of retailers perceive an opportunity to expand exports.

  - Individuals are the primary customer for retailers and service firms, constituting 80% and 70% of customers, respectively. Manufacturers sell to other firms with the metal working and industrial machinery sector being the largest customer, capturing 20% of sales on average.

- ***For both cities, observers see small niche businesses as the primary source of growth.***

  As one person interviewed for this study noted, "growth has come from a lot of little things. " There appears to be an entrepreneurial spirit in the sub-region with new start-up firms being created in multiple sectors. Small entrepreneurial manufacturers are incubated and growing in both Easthampton and Northampton. Emerging and growth sectors identified by observers include:

  – the retail, restaurant and hospitality businesses in Northampton

  – plastics manufacturers in both cities;

  – wood-working firms in both cities; and

  – software, internet, multi-media and related firms (the "new media" sector) primarily in Northampton.

2. Employment, Hiring and Skill Needs

- ***Most employers surveyed view their own existing labor force as an advantage; yet opinions vary on the quality and breadth of the region's labor force.***

  Those interviewed for this study shared a common perception that the Pioneer Valley suffers from three workforce-related problems:

  – an overall labor shortage;

  – problems with entry level workers lacking basic reading, math and job readiness skills; and

  – limited availability of skilled workers across multiple occupations, including computer-related skills, skilled manufacturing workers (e.g., machinists) and construction-related trades.

Several people indicated that they hear frequently about these problems from employers and that labor force problems are now a major priority for employers and regional economic development officials.

A minority opinion is that the labor force problems are overstated and the region is experiencing the ubiquitous national labor shortage due to an extended period of economic growth. Among the private sector employers interviewed, most were satisfied with or positive about their experience with the labor force. Some acknowledged difficulties filling some skilled positions and hiring in general, but they believed this was a economy-wide problem, not a local or regional one.

- ***Companies report growth in employment as well as sales, with manufacturing experiencing the largest and fastest gains.***
  - Average full-time employment grew from 40 to 45 from 1995 to 1998 while median employment grew from 5 to 6.
  - Firms expect to add 5 full-time jobs and 3 part-time jobs, on average, over the next year.
  - Across sectors:
    - Manufacturers averaged 141 full-time and 11 part-time employees in January 1998, up 14% from 1995, with firms projecting 18% average job growth over the next 3 years;
    - Service firms averaged 32 full-time and 13 part-time workers in January, 1998, up 10% from 1995 with firms projecting 10% average job growth over the next 3 years; and
    - Retailers were the smallest firms, averaging 12 full-time and 10 part-time employees in January 1998, up 6% from 1995 with firms projecting decreased employment, on average, over the next 3 years.

- ***Survey respondents report largely skilled labor needs.***
  - Lack of occupation-specific skills is the most common recruitment obstacle, cited by 53% of respondents. The general labor shortage ranked second, cited by 38% of firms.
  - Combined managerial, professional, technical, and skilled production workers account, on average, for 50% of firms' labor force. Sales and marketing and service workers are also large job categories, each representing, on average, 18% of respondents' labor force.

Across sectors:

- production jobs are almost half (48%) of the manufacturing workforce, with a 5:1 ratio of the percentage of skilled production workers to unskilled ones;
- sales and marketing positions are the largest job category among retailers (40%); and
- professionals (37%) represent the largest percentage of service firms' workforce.

- Firms report an average of 60% of their employees use a computer or programmable machine at least weekly. This finding is very similar across the sectors.

- ***Employers highly value communication, teamwork and customer service skills but face the greatest challenge hiring and training workers with technical occupational skills:***

  - Technical skills training tied with customer service as the most common employee training needs, each being cited by roughly one quarter of survey respondents.
  - The employee qualities rated by respondents as most important to the competitive success of their businesses were teamwork and customer service skills, at 92%, and reading, communications and English language skills, at 80%. In contrast, computers skills are ranked the least important skill area, rated very important by just 39% of respondents,
  - Across sectors, retailers rate employee technical skills as least important to firm competitiveness while manufacturers view computer skills as least important.
  - Demand for training services also varies across sectors:
    - most manufacturers (70%) indicate a needed for technical skills training with effective supervision cited second most often (40%);
    - retailers favor customer service training (31%); and
    - service firms have no clear preference as just under 20% of firms express a need in four areas (customer service, computer programming, TQM, and effective supervision:).

- ***Firms use few temporary or seasonal workers with little hiring done by temp agencies.***

  - On average only 5% of employees are temporary or seasonal workers with over half of all firms employing no such workers.
  - Temporary agencies account for 3% of new hires and are used by less than one in five companies.

- ***Most hiring is done through help wanted ads and word of mouth.***
  - Help-wanted advertisements are the most common hiring method, used by all but one firm to hire 44% of employees on average.
  - Word of mouth is used by almost 60% of respondents, and accounts for 43% of new hires.
  - Several differences in employment practices and hiring needs exist across the three sectors:
    - retailers primarily use word-of-mouth to hire workers while most service and manufacturing businesses rely on help-wanted advertisements;
    - manufacturers report greater difficulty than the other sectors in recruiting workers across all job categories. Recruiting skilled production workers is a problem for 80% of the manufacturing respondents; and
    - Service firms report the greatest difficulty recruiting technical and sales workers while few retailers report recruitment problems.

- ***Local high schools and colleges receive mixed ratings in preparing students for entry level jobs:***
  - A plurality of responding firms rate local high schools and colleges as adequate, while a quarter of respondents rate the public schools poorly.
  - While more firms responding to the survey rated colleges positively rather than negatively, a majority had no opinion on the area's three community colleges. Only a few had utilized or benefited from employment and training programs, largely with positive results. This experience included ESL training, vocational high schools and specialized technical training at community colleges.

3. Other Firm Activities and Needs

- ***Survey respondents report limited sub-contracting among local firms.***
  - Just 15.7% sub-contract a significant portion of their production or operations.
  - Sub-contracting is conducted largely by manufacturers, of whom 50% reported out-sourcing a significant portion of their production. Only 6% of retailers and no service firms reported significant sub-contracting.
  - Products and services sub-contracted or outsourced within Pioneer Valley include legal, accounting, and insurance.

- ***Businesses are actively engaged in research and development, industry associations and collaborative marketing and training.***

  - 76.5% of firms reported conducting research and development activities at their Northampton or Easthampton facility. While common for all 3 sectors, these activities were reported most widely among retailers (88%) , followed by service firms (71%) and manufacturers (50%).

  - Major collaborative activities reported include: industry association membership (90%), marketing (41%) and training (29%). Participation in industry associations and other collaborative activities was greatest for manufacturers, with the exception of cooperative marketing where service firms had the highest participation rate.

- ***Training and facility issues are key business needs.***

  - One-quarter of firms are interested in technical skills training and cooperative training with other firms. The greatest interest in new cooperative efforts with other firms varied across sectors:
    - manufacturers expressed the greatest interest in quality assurance/ISO 9000;
    - retailers expressed the greatest interest in cooperative marketing/exhibition space; and
    - service firms were most interested in cooperative production.

  - One-third of respondents plan to expand or relocate in the next 3 years (primarily at their existing site) while current buildings are often cited as a constraint to modernization or new product development.

  - While all three sectors report skills training needs, customer service training is the greatest need for retailers and technical skills is most critical to manufacturers. No one training need is most important for service firms.

  - Across eight technical assistance areas, the greatest interest across all three sectors (20% to 30% of firms) was in reducing energy costs.

- ***Financing is not a current problem.***

  While the region suffered a credit crunch during the past recession, almost everyone interviewed felt that capital is now readily available for businesses. This is supported by the survey finding that over 90% of firms were able to obtain or haven't needed financing, while just 11% indicate a current unmet financing need.

  Observers see a fairly competitive lending environment with banks actively seeking to expand their commercial loan portfolios. Local banks, including Florence Savings Bank and Easthampton Savings Bank, have expanded into commercial lending while the major Springfield and Boston banks are also active lenders in the region.

  Historic gaps in venture capital and financing for very small loans have been addressed through Mass Ventures, the Western Massachusetts Enterprise Fund, and the Valley CDC.

4. Economic Development Services

- ***Interview subjects had mixed views on local economic development services***

  While some employers were positive about the local government and regional economic development assistance that they received, others felt they received little or no outreach or useful assistance to help them stay and expand in the sub-region.

  Moreover, both regional and local officials acknowledge that retention and development services for existing businesses are poor with most activity focused on attracting new firms and funding major projects.

  While Easthampton's change to a city form of government and the commitment of both Mayors to economic development is viewed positively, the absence of city economic development staff and limited economic development experience among the private sector organizations are obstacles to expanding economic development services to local firms.

- ***There is little knowledge and use of state and local economic development programs.***

  - Over two-thirds of survey respondents neither used nor are familiar with state and local programs beyond the two planning departments and Chambers of Commerce.
  - Only three programs were used by 10% or more of respondents with all but the Chambers used by less than 20% of responding firms.
  - For all three sectors, there was little use of state and local economic development services beyond the local Chambers or Commerce and Planning Departments. However, awareness of these services was greater among retail and service than for manufacturers.

5. Location and Facilities

- ***Locational factors vary across business sectors.***

  - The most important factors for retail and service firms are owner residence in area and proximity to markets; for manufacturers, the availability of skilled workers is most important. Proximity to suppliers is the least important factor for retailers and manufactures and the second least important factor for service firms.

- ***Facility issues are critical to local business expansion plans.***

  - While almost all manufacturers (90%) own their facilities, just over half of retailers (59%) and service firms (56%) own their real estate.

  - Facility expansion plans are more common among manufacturers (40%) and service companies (35%) than among retailers (24%). While 75% of expanding manufacturers and retailers plan to expand at their current site, service firm expansion is evenly divided among their current site, another site in Northampton or Easthampton and outside the Pioneer Valley region.

  - A majority of firms in all three sectors plan to introduce new products or modernize over the next three years, but the greatest proportion of manufacturers (90%) plan such investments. Among all three sectors, the suitability of current buildings is the most commonly cited constraint to new products or modernization plans, followed by financing availability.

6. Regional Assessment

- ***Businesses rate quality of life, highway access and proximity to markets as the sub-region's most positive attributes***

  The most commonly cited advantages are:

  - transportation infrastructure and access (84%). Specifically noted were easy access to I-91, I-90, and Bradley Airport. Northampton has better access in this respect, while Easthampton's distance from I-91 was viewed as a liability by some people;

  - quality of life (80%). Attributes cited include the natural environment, recreational resources and entertainment and cultural amenities that are available without the problems associated with large cities. This was noted by most interviewees and the vast majority of survey respondents; and

  - proximity to markets (76%).

  Most employers also viewed their existing labor force as an advantage, and the sub-region's central New England and central Pioneer Valley location was another advantage mentioned by many. Other area assets cited less often but by multiple interviewees include the Northampton downtown and the area's colleges and universities.

- ***Despite varied comments on regional shortcomings, workforce skills and availability, regulations and congestion arise as major concerns.***

  Area attributes receiving the highest negative ratings by survey respondents include:

  - labor force skills (34%)
  - labor force availability (32%); and
  - zoning regulations (33%). Over 20% of those responding indicated they experienced a specific problem with local zoning and permitting. Interview subjects also noted issues with the permitting process and perceived municipal anti-business growth attitudes.

  Cost factors generally received more negative than positive ratings. Many complained of high local business costs relative to most of the nation, including higher labor, energy, transportation, state taxes and worker compensation expenses.

  In addition, business leaders interviewed spoke of a paucity of available land for new commercial and industrial development. Although Easthampton is slightly better off than Northampton in this regard, it is a common problem for both cities, and is discussed further down in the section of this report on Expansion and Relocation Opportunities.

- ***While transportation and infrastructure systems in the sub-region are viewed positively, respondents noted several existing and potential problems.***

  The Coolidge Bridge expansion and improved Route 9 capacity are often cited as the region's greatest infrastructure needs. Congestion problems are expected to grow until the bridge expansion project is completed.

  Despite minimal usage of the existing public transportation system, it was also mentioned with some frequency. Several employers expressed concern about the adequacy of public transit in providing sufficient service at night time and to Easthampton. One employer decided not to pursue Easthampton as a potential location because of the limited bus service.

Section III: Community Characteristics and Assets

1. Economic Development

- ***Mayors in each community play a strong role in business development***

  Both Northampton and Easthampton have a mayoral form of government. This is a relatively new development for Easthampton, which switched its charter from town to city in 1996. Its current mayor, Michael Tautznik, took office in September of 1996.

  Mayor Tautznik and Northampton's Mayor Mary L. Ford serve as key points of contact for businesses looking to locate in their communities.

  - In Northampton, Mayor Ford convenes multi-departmental meetings to review and assemble permitting and financial assistance packages for major businesses the city wants to attract or retain. This process was initiated several years ago in connection with efforts to bring a Coca Cola bottling plant to Northampton's industrial park. It is informal and used on an ad hoc basis.
  - Easthampton's Mayor Tauztnik personally responds to the eight to ten inquiries a year the city receives from businesses interested in relocating there. These are primarily from small businesses, ranging in size from one to 20 employees. Mayor Tautznik has also made attempts within the past year to meet with existing businesses to open up lines of communication and identify concerns. He has recently led the way to designate an Economic Opportunity Area within the city, allowing for tax increment financing to new and expanding companies within the area.
  - Both mayors participate in regional economic development efforts. Mayor Ford serves as a Trustee on the Plan for Progress, the economic development plan for the Pioneer Valley region**.** Mayor Tautznik has recently joined the board of the Economic Development Council of Western Massachusetts, an organization marketing the assets of the region to site location services.

- ***Economic development efforts are centered in both community's planning departments***

  Like many communities their size, Northampton and Easthampton lack specialized economic development staff. Business support services are provided through a combination of the offices of the mayors and the planning and community development departments.

- ***Easthampton is part of the Holyoke Economic Target Area (ETA)***

  Easthampton has joined with Chicopee, Westfield and Holyoke to constitute the state-designated Holyoke Economic Target Area. This status as part of an ETA enables the city to establish Economic Opportunity Areas (EOAs) where it can offer tax increment financing (TIF) arrangements to businesses expanding or relocating within the EOA, bringing a minimum of 50 new jobs. Currently, JPS Elastomerics is working with the city to take advantage of the EOA incentive to expand its Easthampton operations. ETA status also allows businesses in Easthampton to benefit from state-sponsored grant and loan programs offered by the Massachusetts Development Finance Agency.

- ***Easthampton has an Industrial and Economic Development Commission***

  A few years ago, some of the city's businesses banded together to form the Easthampton Industrial and Economic Development Commission. In some respects, the group has functioned like an informal, volunteer Business Improvement District (BID). Membership contributions have funded streetscape improvements to Easthampton's downtown, and a city-wide visioning process conducted in the spring of 1988, the results of which will be used as the starting point for a new master plan.

- ***Northampton's Chamber has an Economic Development Committee***

  Early interest by the Northampton Chamber's Economic Development Committee in part precipitated the development of this project. The Committee has been involved in marketing the city to outside visitors.

2. Transportation

- ***Both communities are proximate to Interstate 91, the region's principle highway***

  Western Massachusetts' principal north-south connecting highway, Interstate 91, runs through the eastern-most section of Northampton, giving that community four points of entrance and egress.

  There are no I-91 access points specifically in Easthampton, giving that community the appearance of less favorable access than Northampton. However, two entrance points to I-91 are located within five to ten miles of the city's center and industrial areas — one in Northampton at the intersection of Route 5, the other to the south at the intersection of Route 141 in Holyoke.

Other major arterials include:

- Route 9, running east-west through Northampton, and over the Coolidge Bridge toward Hadley and Amherst. Congestion on this route was cited frequently by respondents to the business survey component of this project as the number one transportation/infrastructure issue in the area.
- Route 66 in Northampton. The former Northampton State Hospital, one of the city's few remaining sites for business development, is on this road, which runs west to the neighboring rural suburb of Westhampton and on into the Berkshire foothills. Route 66 in Northampton is narrow and windy, with patched pavement. Plans to widen and repave the road are experiencing delays due to the need for multiple easements.
- Route 10, which runs north-south, connecting the city centers of the two project communities. Both Northampton and Easthampton have development sites along this road.
- Route 141, connecting Easthampton with Holyoke. This road is the most direct route to I-91 from Easthampton's downtown and mill building area.

Both communities are somewhat north of the Massachusetts Turnpike, which connects the region to points east and west (i.e. Boston and Albany). However, access to the Turnpike is within 15 minutes from the area's I-91 entrances.

- ***Traffic congestion is an issue on roads along or leading to commercial and industrial areas in both communities.***

  Access to Hadley and Amherst is limited by congestion on the Calvin Coolidge Bridge and Route 9 in Hadley. This problem, affecting Northampton and all of its surrounding communities, was cited frequently by respondents to the business survey portion of this project (see below) as the area's number one transportation-infrastructure issue. Other problematic roadways include Damon Road, Route 10 and Main Street (Route 9).

Congestion Management System Findings
Current and Future Needs: Northampton

Location	Limits	Problem Description	Status
Calvin Coolidge Bridge	Bay Rd. to Damon Rd.	Congestion on both the east and west sides of the Calvin Coolidge Bridge on Route 9.	TIP Project (1999) $10 million
Damon Road	Industrial Drive to King St.	Severe congestion at the Damon Rd., King St., N. King St. and Bridge Rd. intersection and at the Damon Rd. southbound approach to Route 9.	TIP Project (1999) $1,650,000
Route 10	Old South St. to Main St.	Congestion and traffic backups at the Route 10 northbound approach to Route 9 (Main St). Reconstruction and signal ugrades at the Route 9 intersection are planned.	Further Action Required
Route 9	Market St. to Prospect St.	Congestion and stop and go traffic in downtown Northampton with heavy pedestrian traffic. Problems at Route 9 intersections with Routes 10, 55 & 5.	Further Action Required

Source: Regional Transportation Plan for the Pioneer Valley, 1997

A draft *Traffic and Parking Update Study for City of Easthampton,* prepared by the Pioneer Valley Planning Commission in February of 1998, identified several congested intersections in downtown Easthampton along Route 141, including:

- the intersection of Main Street with Union Street and the intersection of Union Street with Cottage Street. Improvements are planned for both these areas;
- the intersection of Cottage Street and Adams Street with Maple Street, and the intersection of Cottage Street with Holyoke Street. Further action is needed to address these areas.

The *Traffic and Parking Update Study* includes recommendations for improved pavement markings (crosswalks and parking spaces) and traffic signs, the elimination of parking on one side of Cottage Street to reduce congestion, and development of an overall parking enforcement policy.

- ***Northampton is relatively well-served by transit, while Easthampton service is minimal***

The Pioneer Valley Transit Authority provides public bus transportation in both Northampton and Easthampton.

Northampton is relatively well served, mainly due to the presence of Smith College and its participation in the five-college system. There is hourly service, running into the early morning hours, along Route 9 connecting Northampton's downtown with downtown Amherst and Williamsburg. However, this route primarily serves the area's student population. Other PVTA routes in Northampton are:

- Route 10 through King Street, making stops at several apartment complexes and terminating in Florence at the Pro Brush Corp. This route provides service roughly every 70 minutes;
- service connecting downtown Northampton with Holyoke Community College, via Easthampton. This bus makes between 6 and 7 trips a day on a 90 minute cycle. Ridership is low and has declined.

Bus service in Easthampton is limited to the one route connecting Northampton with Holyoke. However, the city has requested a "transit potential study" to determine whether expanded service might be warranted. This study will take place during the summer and fall of 1998.

PVTA is also considering a transit potential study along Route 66 in Northampton.

Private bus service is provided in Northampton by Peter Pan Bus Lines and Vermont Transit Lines. Locally, Peter Pan provides service to Amherst, Holyoke and Springfield, while Vermont Transit connects to Greenfield, Brattleboro, VT, Holyoke and Springfield.

As noted earlier under the discussion of Northampton and Easthampton's labor force, bus transportation is used by only a very small fraction of workers in these communities, 2.2% and 0.5% respectively.

- ***Both Northampton and Easthampton are within an hour's drive of an international airport***

  Both Northampton and Easthampton have easy highway access via Interstate 91 to Bradley International Airport in Hartford, CT, putting that facility within an hour's drive. Logan Airport in Boston is roughly two and a half hours distance on the Massachusetts Turnpike.

  In addition, Northampton hosts LaFleur airport, a General Aviation facility. While not a major airport, it does serves business travelers and visitors to area colleges.

- ***Rail freight service is available in Northampton***

  Springfield Terminal Railroad, owned by Guilford Transportation Industries, has secondary track in Northampton, with three northbound and three southbound trains going through the city each week. The Railroad provides direct service to Springfield, Vermont, New York, and Pennsylvania, and has an interchange in Springfield with Conrail for connections to other points. Although potentially an asset to commercial uses requiring large freight shipments, it is unlikely that service will be expanded in Northampton.

  Rail freight service is no longer available in Easthampton since the Pioneer Valley Railroad abandoned its rail lines north of Westfield. The abandoned corridor in Easthampton is now part of the proposed Manhan Rail Trail, a multi-use facility for bicycling and walking.

3. Taxes

- ***Commercial tax rates in Northampton and Easthampton are roughly half those in the region's larger, urban communities***

  Northampton and Easthampton both have a single tax rate where commercial tax rates are the same as residential ones. As indicated in the table below, this structure is more common in the Pioneer Valley region's rural and suburban communities, and is rare in its urban industrialized centers. The rates for Northampton and Easthampton are very close, and both are substantially below both their immediate neighbors and the region's urban centers.

1997 Commercial Tax Rates Selected Western Massachusetts Communities	
City/Town	**Commercial Tax Rates, 1997**
Southampton	14.51
Williamsburg	14.90
Easthampton	**15.12**
Huntington	15.19
Northampton	**15.27**
Westhampton	17.14
Chesterfield	19.15
Greenfield	20.50
Agawam*	21.22
Westfield*	26.21
Chicopee*	27.87
Holyoke*	34.64
Springfield*	37.65

Source: Massachusetts Department of Revenue, Division of Local Services
* These communities have lower tax rate for residential property

- ***Taxes have increased more than 25 percent over the past half decade***

  Northampton's tax rate rose from 12.24 to 15.27 between 1993 and 1997, a 25 percent increase. For the same time period, Easthampton's tax rate went up nearly 35%, reaching 15.12 in 1997. These increases, however, paralleled tax hikes in surrounding communities, so that the rates in Northampton and Easthampton remain comparatively low. Tax revenues increased in both communities at roughly the same rate as the tax increases, despite fluctuations in assessed value.

Commercial Tax Rates Northampton & Easthampton 1993 - 1997							
Community	**1993**	**1994**	**1995**	**1996**	**1997**	**% increase in tax rates 93 - 97**	**% increase in tax revenues, 93 - 97**
Easthampton	11.22	12.06	14.96	14.83	15.12	34.8%	31.3%
Northampton	12.24	12.95	13.54	14.57	15.27	24.8%	23.0%

Source: Massachusetts Department of Revenue, Division of Local Services

A revaluation of Northampton's properties in the spring of 1998 saw major increases in the values of properties in the city's commercial center. Assessments for some properties more than doubled, and many landlords and business owners expressed shock and concern at the situation. Some joined together in protest, gaining media attention with claims that the high assessments may force them to close their doors, and that only national chain stores will be able to afford to locate downtown.

- ***Non-residential taxes account for 25 percent of Northampton's revenue, 14 percent of Easthampton's.***

  The percentage of tax revenues from non-residential properties (commercial, industrial, & personal property) averaged 14% for Easthampton and 25% for Northampton between 1993 and 1997. Easthampton showed a slight increase during this time period, while the percentage of Northampton's tax revenues from commercial & industrial properties remained almost constant.

Percentages of Tax Revenues from Commercial, Industrial, & Personal Property					
	1993	**1994**	**1995**	**1996**	**1997**
Easthampton	12.9	13.2	14.4	15	14.4
Northampton	24.8	25.1	24.8	24.6	25.1

Source: Massachusetts Department of Revenue, Division of Local Services

4. Utilities

- ***Water and sewer improvements are needed in some of the cities' remaining areas for commercial development***

  As discussed below, in the section on Expansion and Relocation Prospects, Northampton has two major sites left for commercial development. One of these is a four parcel area along Route 10 zoned for development as a business park. The area currently lacks sewer and, while water is available along adjacent streets it does need to be looped in to the site. The City intends to pursue grant funding for a sewer extension to the area when plans are initiated for the business park development.

  Easthampton has proposed sewer capacity improvements along Route 10, south of the town center on South Main Street. The project, currently in the planning stage, is designed to encourage industrial development and is included in the Overall Economic Development Program (OEDP) for the region. The sewer improvements will follow the abandoned railroad corridor which is to be acquired by the town and converted into the Manhan Rail Trail. Sewer project design will be coordinated with the design of the trail.

  The reconstruction of Route 66 in Northampton will also entail replacement and upgrade of existing water and sewer lines, which may potentially benefit redevelopment of the State Hospital site in that area.

Utility	Easthampton	Northampton
Electric	Western Massachusetts Electric Co.	Massachusetts Electric Co.
Gas	Bay State Gas	Bay State Gas
Sewer	Easthampton WWTF	Northampton WWTF
Water (Source)	Ground, Easthampton Water Department	Ground, Surface

Water & Sewer Rates, 1998 Northampton & Easthampton		
Community	**Water Rate**	**Sewer Rate**
Northampton	1.65/HCF	2.13/HCF - commercial 2.02/HCF - residential
Easthampton	1.20/HCF ($3.00 minimum monthly charge)	2.00/HCF ($6.00 minimum monthly charge)
HCF = Hundred cubic Feet		

Source: Department of Public Works, Northampton and Easthampton

- ***While state-of-the-art telecommunications circuitry is available in both communities, high-end users are best served in downtown locations***

  Both communities have state-of-the-art telecommunication circuitry in their downtowns. The level of adequacy for business depends on the distance of the company from this downtown circuitry, as well as the specific needs of the business:

  – high-end users are best served within a one mile radius of the downtown; they may be accommodated outside this primary service area through connections with long-distance switches, which may increase the cost of their service;

  – the needs of most businesses can be adequately met through service within three miles of the downtown areas; this three-mile radius encompasses nearly all of Easthampton and most of Northampton.

5. Quality of Life

- ***Northampton's downtown is a strong regional asset***

  Respondents to both the business survey and interviews cited downtown Northampton, with its diverse dining, shopping, entertainment and cultural attractions, to be one of the region's greatest assets. Many business owners locate in the city simply because they want to live in the area. Additionally, the downtown attracts shoppers and tourists from throughout the Pioneer Valley and beyond.

- ***While Northampton and Easthampton are in an area rich with educational opportunity, public education needs improvement***

  While Northampton and Easthampton are located in what is commonly referred to as "the Five College Area," there are actually 13 colleges within roughly half an hour's drive of the two communities. In addition to the University of Massachusetts, Smith, Amherst, Hampshire and Mount Holyoke, which make up the famous five, there are American International, Bay Path, Elms, Greenfield Community, Holyoke Community, Springfield Technical Community, Western New England and Westfield State. These institutions not only provide a vast array of educational opportunities, they release skills graduates into the regional workforce.

  The area's Community Colleges, in particular, provide customized employee training services to area businesses. As noted in the Business Survey, there is little awareness of these services among Northampton and Easthampton companies at the same time there appears to be a demand for the training they can provide.

  Several people interviewed for this project expressed concerns that the public schools in both communities are lacking, and that perceptions of low quality education act an obstacle to recruiting high level professional employees. Easthampton has lower SAT scores and a higher drop-out rate than the state average, while Northampton has higher test scores and a lower drop out rate. However, the figures for both cities hover around the state average.

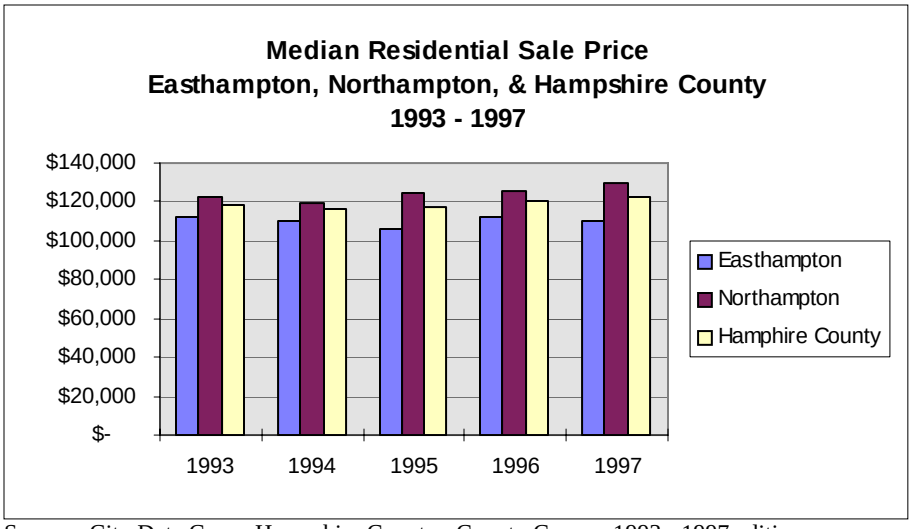
SAT Scores & Drop Out Rates
Northampton, Easthampton, & Massachusetts
1995 - 1996

	SAT Scores, 1995		Drop Out Rates, 1995-96
	Math	Verbal	
Northampton	508	447	2.7
Easthampton	440	396	4.2
Massachusetts	477	430	3.4

Source: Massachusetts Department of Education, School District Profiles

- ***Northampton and Easthampton both have active housing markets; prices in Easthampton are relatively low***

  As shown in the table below, residential sale prices in Easthampton, Northampton, and Hampshire County have remained relatively stable over the last five years. Northampton's average sale price over this period was slightly higher than Hampshire County as a whole; Easthampton's prices averaged slightly lower.



Source: City Data Corp. Hampshire County. County Comps, 1993 - 1997 editions.

When compared to neighboring communities, Easthampton has substantially lower priced housing than most other communities in the region. While Northampton's median residential sales price is also relatively low, it includes a disproportionate number of condominium sales.

Mean Residential Sale Price Selected Hampshire County Communities 1997		
Community	**Total # of Sales**	**Mean Residential Sale Price**
Easthampton	**197**	**$110,000**
South Hadley	183	$111,000
Westhampton	26	$126,000
Williamsburg	33	$127,500
Northampton	**301**	**$130,000**
Belchertown	177	$133,000
Southampton	65	$144,000
Hadley	61	$149,900
Amherst	201	$151,000

Source: City Data Corp. 1997 Hampshire County. County Comps.

Section IV: Site and Building Availability Business Expansion and Relocation

This section presents the findings and recommendations from a review of industrial and commercial land sites and building space available to support business expansion needs. An inventory of available real estate in each city was prepared by the staff of each planning department and the Pioneer Valley Planning Commission. Northampton's inventory of twelve properties included three land sites, eight buildings, and the state hospital site. Easthampton's inventory of 27 properties included nine land sites and eighteen buildings. After reviewing the inventory and discussing it with each city's planner, a short list of 19 properties was identified for evaluation. Sites were selected because their size, location and availability of water and sewer service made them the best and most significant options to address business real estate needs. The final list included two additional vacant land sites in Easthampton that were not listed as available but which have development potential. It was also reduced to 15 properties, as sale or lease agreements had been completed on four sites. Site visits were conducted on April 8, 1998.

Because the priorities and opportunities differ in each community, they are discussed separately below.

I. Business Real Estate Needs

- ***Four primary real estate needs emerged from the sub-regional assessment and business survey:***

  - small to medium sized land sites for expanding manufacturing service and retail firms who want to own space in a stand alone facility. This need also can be addressed by land sites with existing vacant buildings appropriate for the firm.

  - multi-tenant office space for service firms, professionals, new media firms, including both leased space and condominiums that allow companies to own their real estate.

  - incubator and workshop space for very small and start-up manufacturers, craft businesses, and service firms; and

  - street-level retail space for retailers, restaurants and service firms.

  Given the predominance of small businesses in the sub-regional economy, the most common facility needs in all these classes are fairly small. Land sites and multi-tenant office buildings must primarily support occupancy needs in the 5,000 to 20,000 square foot range, although the flexibility to support the occasional firm with larger real estate needs is important. Incubator and retail space will primarily serve firms needing a few hundred to a few thousand square feet.

II. Key Findings and Recommendations: Northampton

- ***Northampton has few available development sites and no substantial vacant building space on the market. Primary opportunities for expanding its supply of commercial and industrial sites are the reuse of Northampton State Hospital and development of the four parcel Northampton Business Park site on Route 10 ("Route 10 site").***

  Moving forward on both sites concurrently is recommended for three reasons.

  1. The Route 10 site provides a hedge against either unexpected delays in the State Hospital development or faster than expected absorption of the site.
  2. Since it will take several years to resolve multiple issues needed to develop the Route 10 site, there is an inherent lag in bringing this site on the market.
  3. The Route 10 and state hospital sites can serve different user needs, with Route 10 development focusing on industrial users and retail and service businesses that need a high traffic location.

  Specific recommendations for these two sites include:

  - Work with the designated Northampton State Hospital developer to provide multiple business real estate options including land sites, leased office space and condominiums, and to obtain a long term commitment to mixed used development. Since it is faster and more profitable to develop the site for housing, the city should explore securing an agreement with the developer to ensure that land designated for commercial and industrial use is dedicated to those uses for at least 20 years, allowing for the longer absorption period that may be necessary for commercial and industrial development. Zoning has been crafted to back this intention.

  - Facilitate the creation of a formal development plan and entity for the Route 10 site. Potential partners for this task include the Westmass Area Development Corporation, which has extensive experience and presence in the regional industrial market, and the state-run Massachusetts Development Finance Agency, another body with a regional presence. Northampton should seek to involve one of these or a similar entity as either the developer or managing general partner in a joint venture or limited partnership arrangement with the current land owners. Such an arrangement would obviate the need for the city to form an EDIC and incur the start-up and overhead costs associated with a new organization.

  - Continue to anticipate and address development of both sites as employment centers in planning for future transportation, infrastructure and other needs; and

  - Craft an agenda for the state and federal assistance needed to develop both sites and work aggressively with the Economic Development Council, the state legislative delegation and the federal congressional delegation to secure this assistance.

- ***Northampton's best available development sites are likely to be absorbed without any city support or intervention.***

  Five of the seven lots in the King Street - Carlon Drive subdivision are under agreement primarily for retail or wholesale uses. The subdivision's remaining two sites, with their location near an I-91, are ripe for development.

  Similarly, the Kollmorgan property at 168 Industrial Drive is another prime site. Negotiations for its had been underway, but stalled at the time of this writing. Since the property contains a second development site, Northampton may want to work with the eventual owner to market this second site for sale or lease to another firm.

- ***Northampton will need to use creative means to generate development options at other sites.***

  Possibilities include:

  - 221 Hawley Street. The potential of this small site, which is currently on the market, may be expanded by combining it with its under-utilized neighbor, Ed's Small Appliance Repair — it may be possible to accommodate the needs of the appliance store at another location or with space in a new building at the site. Broadening allowable uses under the site's special industrial zoning and building the proposed tunnel to better link this area to Northampton's downtown will also enhance the site's potential.

  - The vacant Hill and Dale Mall and the self-storage facility in the industrial park. These are well located but under-utilized sites. The City may be able to work with the current owners to pursue ways to tap these sites for reuse that serves local business expansion needs or to generate more economic activity and tax benefits.

  All three of these projects will require proactive involvement by planning and economic development staff in identifying the obstacles to development and negotiating creative solutions to resolve them.

III. Key Findings and Recommendations: Easthampton

- ***Easthampton has a far greater inventory of land sites and building space (largely in mill buildings) than Northampton.***

  Easthampton has over one million square feet of vacant mill space and nine land sites to support business redevelopment and other needs.

- ***All but one of Easthampton's available land sites for development sites are in the O'Neill Street and Industrial Park area off Route 10.***

  This includes four small sites in the industrial park and two sites on O'Neill Street owned by Schaefer Enterprises (one of which may be sub-divided into 3 to 5 sites). The O'Neill Street sites have the stronger potential, as they are located on a busier street with more visibility, have greater flexibility in site size and zoning, and are in a more attractive setting.

  - The 14 acre O'Neill Street site is not yet subdivided and thus offers flexibility to accommodate firms needing varied site sizes. Schaefer Enterprises is considering marketing this land for build-to-suit development where they would build and lease a building to the final user. These sites can accommodate manufacturers, construction firms, and "back-office" or other service activities that do not require strong pedestrian or vehicle traffic.

  - The industrial park sites are more constrained by their size and industrial zoning, and possibly by the park's simple butler buildings. They are best suited to small manufacturing and construction companies.

  Given the importance of the O'Neill Street Industrial Park area to future development — it will be the location for most new commercial and industrial buildings, Easthampton should encourage more attractive, higher quality buildings along O'Neill Street and at the entrance to Industrial Parkway. Several options to consider include:

  - establishing landscaping and facade design guidelines and standards in the city's zoning ordinance;
  - offering a pro-bono design review and assistance to suggest more attractive treatments;
  - providing financial incentives such as below market loans or grants for upgrading planned buildings, facades and landscaping.

- ***One large land sites, behind Wemelco Way, should be considered for longer term development.***

  The Wemelco Way site is well suited for industrial or commercial development, providing a flat site without conflicting land uses nearby. While Easthampton does not face an immediate need to expand available sites for business use, it may want to begin discussion with the owner of this site to evaluate its future for industrial or commercial development.

- ***Easthampton's extensive vacant mill space, exceeding 1 million square feet, is its second major real estate asset. Reuse efforts should focus on Eastworks and 4 Cottage Street.***

  Based on the site review, Easthampton should focus its mill redevelopment efforts on two properties: Eastworks and 4 Cottage Street.

- Eastworks provides several hundred thousand square feet of vacant space for business use. It's scale and mixed use plans can accommodate a broad range of businesses and space sizes including light industry, craft-based businesses, offices for new media start-ups, professionals or service firms, retail space, and studio space. Furthermore, the owner's commitment to the project, including active marketing, development and property management, enhances the property's value and potential.

- Easthampton Dye Works has just under 30,000 square feet available in their facility at 4 Cottage Street. The property's good location and the owner's investment in improving the space make it another good option for businesses needing incubator, workshop or light industrial space. This space offers reasonable quality mill space with proximity to the successful One Cottage building, amenities in the Cottage Street retail area, direct access to I-91 via Route 141 and an attractive setting across from Nashawannuck Pond.

- ***Adaptive reuse of the Kellog Brush Building should be phased in after Eastworks and 4 Cottage Street are substantially occupied. Near-term uses for warehouse, heavy industry or a single large occupants should be encouraged.***

  Since lease-up of Eastworks and 4 Cottage Street will take some time, Easthampton does not need to encourage development of other competing mill properties, such as the Kellogg Brush Building until these two properties are substantially occupied. Putting the Kellogg Brush Building on the market for similar uses is likely to weaken the momentum and financial position of other mill properties. Tenants and rental income would be split among two large mill complexes (Kellogg Brush and Eastworks) reducing the resources of each property for management and build-out. It is preferable to phase development of the Kellogg Brush building, putting it on the market after Eastworks is substantially occupied. However, near term reuse of the Kellogg Brush mill for warehouse, heavy industry or a single large occupant should be encouraged since it would not impair lease-up of other mill properties.

- ***Marketing existing land sites and mill space should be a municipal priority.***

  Easthampton's priority is to expand marketing of the community and its existing supply of land sites and mill space rather than to develop additional land and buildings. This marketing effort must build Easthampton's image as an attractive business location with affordable land sites and multiple leased space options in quality mill buildings. Easthampton, with its new city government, strong commitment to economic development, economic base, and location, is well positioned to market itself as a desirable business location. Specific recommendations for expanded marketing include:

  - preparing a marketing piece with a map that identifies existing economic activity, amenities, and access to I-91, I-90 and Northampton;

- meeting with real estate brokers, regional economic development organizations, and business associations to present Easthampton's story; and
- using press release and news articles in regional outlets to announce new business start-ups, leases and other projects that build the city's image as a vital and attractive locations;
- working with Northampton, as described below, to enhance services to link expanding firms with appropriate real estate options.

IV. Recommendations for Joint Activities:

Northampton and Easthampton can collaborate to help businesses find suitable expansion space in the sub-region. Recommended joint activities, designed to add value to private real estate brokerage services, include:

- ***Maintain a comprehensive inventory of available sites and buildings.***

  This inventory would help real estate brokers, economic development organizations, and planning departments serve local firms, and would also supporting an Easthampton marketing effort.

  The existing site inventory is a good start but the need for regular maintenance is demonstrated by the fact that the status of several properties changed within the few weeks between property list development and site visit. Additionally, the regional industrial sites inventory on the World Wide Web proved to be of partial value — it is fed by realtors submitting property listings to the website, and therefore represents only a percentage of properties actually on the market. Many of the listings used for this project were identified at the local level. A comprehensive, and up-to-date inventory will require a proactive effort to research and update available properties on a regular basis.

- ***Establish a mechanism for maintaining a complete and up-to-date inventory of "market-ready" buildings and sites available to support business growth.***

  This information could be very helpful to companies in the area as they outgrow existing facilities and look for larger space. Having information about 'market-ready' space in one location would considerably benefit all companies, although it would undoubtedly help smaller firms that do not have the time and resources to pursue this kind of information from multiple sources.

  - The Pioneer Valley Planning Commission maintains an regional Industrial Sites web page. Links could be made with internet sites for the two communities.

- The information should also be made available to all relevant economic development actors in the two communities, such as planning and development staff, chambers, the proposed "Partnership", CDCs, etc.
- Since the data changes frequently over time, a procedure for maintaining up-to-date information should be established.

- ***Establish a volunteer site location network to assist businesses needing additional space.***

  The network's task could include evaluating expansion options at existing sites, advising on the best options for new locations, clarifying zoning and permitting requirements, and identifying financing resources and incentives to support expansion. The network should draw on local real estate, design, legal and planning professionals from both cities.

- ***Expand outreach efforts to help identify businesses facing facility needs and problems.***

  This is addressed in the Business Development and Retention Plan below.

Section V: Zoning & Permitting Issues

This section presents the findings and recommendations from a review of the permitting process and zoning requirements for each of the two project communities. Although permitting processes vary by municipality, Easthampton and Northampton share many of the same issues, enabling recommendations concerning this area to be presented jointly. Comments on each community's zoning regulations as they pertain to business development are made separately.

I. The Permitting Process

- ***Informational interviews with businesses, civic leaders and regional economic development professionals revealed perceptions that the permitting process is problematic in both communities.***

  - Northampton is perceived as a difficult place to gain approval for development. Problems mentioned include:
    - the reliance on special permits as a control mechanism, rather than site plan review and approval; some interview respondents expressed frustration with the process of getting board approvals;
    - lack of coordination of the permitting process — one interviewee stated "no one is in charge." Zoning permit applicants initiate the process at the Building Inspector's Office, but if a special permit, variance or finding is needed they must negotiate their way through the city's Office of Planning and Development, the Planning Board, the City Clerk, and one or more Permit Granting Authorities. The number of entities involved can be cumbersome and confusing;
    - anti-growth and "politically correct" views toward business expansion that often shape or strongly influence individual permitting decisions. These perceptions may be exacerbated by the limited land available for business — e.g. the condition of not much room for growth being construed as anti-growth — and the presence of wetlands in the vicinity of much of the area's remaining developable land, triggering additional permitting needs and Conservation Commission involvement.

  - Easthampton is viewed as less difficult than Northampton, but as still problematic. A primary issue cited was the length of time needed for projects to get approval. However, this perception was contradicted by one major property developer in the community, who at a public meeting expressed particular satisfaction with his experience in getting his project permitted.

  - Regional economic development officials view both cities as far behind regional best practices in efficient permitting, as found in Agawam and Westfield. Details on the practices used in these communities are given below for comparative purposes.

- ***Northampton has recently taken some steps to streamline its permitting***

  Northampton is engaged in an ongoing effort to streamline its permitting process. Improvements include:

  - significant reductions in the time between when a permit is issued until its is filed with the City Clerk — from 24 days in FY1996 to 10 days in FY1998. This is expected to go down to 7 days by the end of the current fiscal year.

  - conducting project review committee meetings and better coordinating the permitting for major projects, as defined in Northampton's zoning bylaw. These are:
    - projects which involve new construction or additions of 5,000 square feet or more of gross floor area
    - commercial parking lots and parking garages
    - except for the CBD, establishments selling foods prepared on premises where consumption is primarily off the premises and retail establishments selling principally convenience goods
    - projects for which the zoning ordinance requires 10 or more additional parking spaces
    - Rural Residential Incentive Development projects
    - Planned Business Park projects

    At project review meetings, applicants meet with all departments involved in the permitting process, as well as members of the Planning Board to discuss the project and necessary permits.

    Project review meetings are also used in Westfield, one of the communities cited above as having an exemplary permitting process. There, multi-board meetings are convened for so-called "mega projects" which are identified on a case-by-case basis.

  - designating a single Planning Department staff person to serve the Conservation Commission, Zoning Board of Appeals (ZBA), and Planning Board, thereby facilitating the coordinated review of projects requiring multiple permits. However, this does not address issues of coordination with other departments that issue permits, such as the Building Inspector (signs, woodburning stoves, fill and demolition), the Board of Health (septic systems, swimming pools, licensing for food service establishments, hotels, etc.), the City Council (permits for gas storage, second hand dealers), and the Department of Public Works (water and sewer connections, curb cuts, driveways, etc.)

  - development of a computerized system to track permits through the review and approval process. Currently, the system is up and running in the Building Inspector's office, but has not been networked to other city departments. This should be accomplished within the year.

- changes in the zoning ordinance to allow some additional uses by right. These uses were ones identified by planners as typically being approved with no conditions attached, such as accessory apartments and home offices.

These changes have been implemented incrementally and without fanfare, hampering their ability to address negative perceptions.

- ***While Easthampton has had no formal permit streamlining process, the Town Planner plays an active role in assisting applicants***

  Easthampton has not yet made specific attempts to streamline its permitting process. However, the Town Planner helps coordinate the process by reviewing the relevant zoning requirements for a project and providing applicants with information on the necessary permits, licenses and so on. Applicants are referred to the Town Clerk for the appropriate forms.

- ***Both communities lack up-to-date, comprehensive written information on the permitting process***

  The complexities of permitting can be eased somewhat by making available written information that guides prospective applicants through the process. Agawam has a permit information fact sheet which features comprehensive lists of necessary permits and associated fees. Portland, Maine includes extensive information on permitting and licensing requirements as part of its booklet "Your Guide to Doing Business in Portland."

  Northampton does have two handouts on permitting and licensing that provide applicants with preliminary information, and which can be obtained at City Hall or via the city's web site. However, these materials are out of date — "The Permit Process" is dated November 1992 — and do not reflect, or promote, recent improvements to the process.

  In Easthampton, a draft list of permits and permitting agencies has been created but is not yet in a form available for public use. As noted above, project proponents are dependent for information on the Town Planner.

- ***Timing is an issue***

  In Northampton, it takes from 3 to 6 weeks to schedule a project before the applicable permitting board. The 3 week minimum takes into account legal requirements for the two weeks public hearing notice required for special permit hearings, plus four to five days processing time for the placement of advertising in the Hampshire Gazette.

In Easthampton, hearings before the Planning Board are scheduled 4 to 6 weeks after an application for either a special permit or site plan review is received. Local regulations dictate a 35 day review period for a special permit, from the time of advertising. So even when a hearing is scheduled earlier, applications may not be approved until the full 5 weeks have passed. Site plan approvals have a shorter, 21 day, comment period.

In contrast, Agawam is typically is able to process permits within 2 weeks of receiving an application. This speed can be attributed to the fact that most uses are allowed in the community by right with site plan review. Special permits, with their time consuming board hearing requirements, are rare.

- ***Areas for permitting process improvements include communications, coordination, speed and reduced permitting requirements.***

  Although the two communities have somewhat different permitting procedures and issues, they share several areas for improvement.

  1. Communications and documentation: Community permitting requirements, procedures, timetables and costs should be fully documented since, when applicants know what to expect they are less likely to experience problems or frustration. The business guide that is to be developed as part of the current economic development project will partly address this need. The material should be:
     - updated regularly and feature a recent date so that applicants can use the information with confidence;
     - used as a promotional, as well as informational, vehicle. Improvements to the system should be highlighted, along with the community's business-friendly outlook. The document may also provide the opportunity to explain community policies, practices, or requirements that may be construed negatively or as onerous;
     - made easily available, perhaps through the internet, commercial realtors, Chambers of Commerce and other private sector outlets as well as through the municipality.
  2. Personal assistance and "one-stop shopping": The communities cited for exemplary permitting practices have individuals who serve as a single point of contact for information, applications, etc. and who provide direct assistance in getting the applicant through the process. When issues arise in Agawam, the town's Planning Director intervenes on an applicant's behalf, speaking with the departments in question. Although Philadelphia is a city of considerably different scale than the project communities, it takes an approach that is worth noting — new or expanding businesses are assigned an "account executive" within City Hall to help with permitting, financing and other needs.

     Both Northampton and Easthampton already have kernels of the "one-stop shopping" process, but more needs to be done to give applicants the personal

attention this approach requires. Additional municipal staff is likely to be needed, particularly in Easthampton.

3. Multi-board project review meetings: As noted above, multi-board project review meetings provide an opportunity for applicants to gain information about the permitting process and what the community is looking for. They can help a developer craft a successful application, saving time and money on plan revisions and appeals.
   - Both communities should consider following Westfield's example in hosting joint board predevelopment project review meetings. The logistics of assembling such meetings, and ensuring they achieve their purpose, dictate that they be reserved for projects of some significance.
   - Easthampton should consider holding staff-level multi-department project review meetings.
   - Northampton should consider expanding its staff-level project review meetings to include "intermediate" projects.
4. Faster processing: In both communities, the permit process may be simplified by changing special permit to site plan review requirements for some projects. This would cut down on the time required for public advertising. For site approvals not tied to a special permit process, the towns must only follow the requirements of the Open Meeting Law (MGL, Ch. 39, Sec. 23 A-C), which requires a public notice of at least 48 hours. For such uses, the communities should consider scheduling the project for consideration at the next scheduled Planning Board Meeting, after a reasonable review period. Public participation could be ensured through contacts with abutters and relevant interest groups.

   Actions to speed processing that are specific to each community include:
   - Northampton. The appointment of a Zoning Administrator by the Zoning Board of Appeals (ZBA) has already been specifically authorized in Northampton's Zoning Ordinance (Section. 10.9.5), and the city should give serious consideration to acting on this authorization. The ZBA may delegate some of its powers to the Zoning Administrator, such as the issuance of special permits and findings, and Site Plan Approval. The appointment of a Zoning Administrator would greatly reduce the workload of Northampton's ZBA, allowing ZBA and Planning Board meetings to be scheduled on the same night, further streamlining the permitting process for applicants who require decisions from both boards. Decisions of a Zoning Administrator are deemed to be denied if not issued within thirty-five (35) days from the date of application. Given the tight time frame required, the City may need a full-time staff person to fill this role.

– In Easthampton, processing time may also be reduced by reducing the public comment period for special permits (currently 35 days). Legally, this review may be reduced to two weeks (corresponding to the required advertisement period). Easthampton should evaluate the time necessary to adequately review special-permitted uses.

II. Zoning: Northampton

- ***Northampton has eight commercial/industrial zoning districts, each with its own dimensional regulations and allowed uses.***

Commercial Zoning Districts Northampton	
Zoning District	**Description**
Central Business (CB)	Allows greater density than other commercial districts. Designed to encourage a pedestrian-oriented downtown. Uses which generate heavy automobile traffic are limited.
General Business (GB)	Includes a wider range of allowed uses than CB, including auto-oriented businesses (automobile sales & service). Higher density allowed & greatly reduced open space required for mixed residential/retail and service and commercial than other allowed uses.
Highway Business (HB)	Larger lot size, frontage and landscaping requirements than central and general business. Uses with parking to the rear and/or side of the building may have higher allowed FAR and reduced landscaping requirements.
Neighborhood Business (NB)	Lower density and smaller range of commercial uses allowed than other business districts. Retail establishments over 10,000 s.f. are not allowed.
Business Park (BP)	Density bonuses for affordable housing. Commercial activity allowed primarily in planned business parks. Research & development facilities are also allowed. All commercial activity requires a special permit from the Planning Board. Development in this district is currently limited by lack of adequate infrastructure (water & sewer)
Planned Village Overlay (PV)	Allows business planned unit developments by Special Permit.
General Industry (GI)	Allows a range of activities, including light industrial uses, warehouses, and Automobile sales and service are allowed by Special Permit.
Special Industry (SI)	Allows a range of business and industrial uses.

- ***Northampton's zoning bylaw provides incentives for some types of commercial development.***

  - In order to encourage development in the central business district (as well as to promote a pedestrian-oriented downtown), the CB zoning district allows higher densities of commercial development than the other commercial districts.

  - The General Business District allows greater density for mixed-use developments.

- Within the Highway Business District, a much higher density of development is allowed when parking is located in the rear and/or side of the building rather than the front.

- ***A Business Park District was created on Route 10, on land formerly zoned for residential use, to allow mixed residential, commercial, office, manufacturing and light industrial uses.***

  This area is one of Northampton's few remaining open development sites and is the focus of recommendations made elsewhere in this report. The city intends to master permit the site to a planned business park developer. Current requirements for the business park development include:

  - a minimum of 70 acres in size;
  - a minimum of 10 percent but no more than 20 percent of gross floor space must be for residential uses;
  - retail and commercial uses are limited to 4 percent of gross floor space; and
  - special permit requirement for research and development facilities.

- ***Areas for zoning change in Northampton include simplification, clarification.***

  Northampton's zoning ordinance has undergone frequent changes and updates, resulting in a complex document with some internal inconsistencies.

  - A Site Plan Special Permit is required for new construction additions of 5,000 s.f. or more of gross floor area, even for uses that are shown as allowed "by right" in the Table of Use Regulations. This internal inconsistency in the zoning ordinance can be ironed out simply by changing the Table of Use Regulations to show that new uses over 5,000 s.f. require a special permit. But, as noted above under the discussion of permitting, the requirement also has tangible implications for project proponents in terms of time, money, process, etc. The City should consider reducing the Site Plan Special Permit requirement to Site Plan Review for this size threshold.
  - Distinctions between the city's eight commercial and industrial districts can be difficult to understand. The City is in the process of sharpening these distinctions by:
    - reducing the number of categories, merging the dimensional requirements for special industrial and general industrial together; and
    - developing a graphic component to its zoning code, to illustrate and communicate the vision behind the various districts.
  - Navigating the zoning ordinance can be facilitated with the addition of a comprehensive index to help users find what they are looking for.

III. Zoning: Easthampton

- ***Easthampton's Zoning Bylaw was updated in 1995 with the intent, among others, of encouraging downtown revitalization and economic development.***

  Revisions included creation of the following new commercial districts:

  - downtown business district
  - highway business district
  - mixed use/mill industrial district

  The following table summarizes the major features of Easthampton's commercial zoning districts.

Commercial Zoning Districts
Easthampton

Zoning District:	Description:
Downtown Business (DB)	Commercial uses allowed include hotels, bed & breakfast establishments and a range of retail & service uses. More uses allowed "by-right", with site plan review, than other commercial districts. Discount clubs, drive-through restaurants, and automobile sales & service related uses are not allowed. Convenience markets allowed by special permit.
Highway Business (HB)	Permits a wider range of commercial uses than DB, although most commercial uses require a special permit . Drive-ins, drive-throughs, ATMS, automotive service stations and convenience markets only allowed in Planned Business Developments.
Neighborhood Business (NB)	Range of commercial uses allowed, most require special permit. Supermarkets limited to 10,000 s.f.
Industrial (I)	Some commercial uses allowed with Special Permit. R & D allowed with Site Plan Approval. Industrial uses require a Special Permit
Mixed Use/Mill Industrial (MI)	Range of commercial uses, including R&D are allowed. Industrial uses require special permit. Uses not allowed include supermarkets, drive-ins, hotels & motels, warehousing, and auto-related uses. Discount clubs allowed in existing buildings only.

- ***The 1995 zoning update included changes in dimensional regulations for the Downtown Business District to act as development incentives.***

  - Relaxed dimensional requirements and an increase in uses requiring site plan approval only have coincided with new commercial development in Easthampton's Downtown Business District.
    - The minimum lot size was reduced from 25,000 s.f. to 5,000 s.f.; maximum building height and building coverage were increased.

  - A bonus of up to a 10% reduction in the minimum lot area requirements is available by special permit to businesses that donate public amenities such as parks, benches, plazas, or public access to the riverfront to the Town of Easthampton. To date, no businesses have taken advantage of this density bonus. Given that lot sizes in this district were already greatly reduced, an additional 10% reduction may not be a sufficient incentive. (The 10% lot size reduction is also available in the Mixed Use/Mill Industrial District, and also has not been used.)

- ***Zoning changes in Easthampton should focus on expansion of allowed uses.***

  - Industrial uses are only allowed by special permit in Easthampton's industrial districts. Should the city allow industrial uses in its industrial districts by-right, the Planning Board would still be able to exercise development control through compliance with the Town's Environmental and Commercial Performance Standards**.**

  - As with the industrial district, the Town of Easthampton should consider expanding the number and types of businesses allowed by-right in other commercial districts. Within the highway business district, retail and service uses allowed by right are limited to antique or gift shops, travel agencies, funeral establishments, and membership clubs. Examples of business that could be allowed by-right — but regulated through site plan approval — include hardware stores, pharmacies, bakeries, and other miscellaneous retail and service uses. Indeed, some of these uses are allowed with only site plan approval in the downtown business and/or neighborhood business district.

Section VI: Business Development and Retention Plan

This section presents recommendations for activities to retain existing businesses within the two project communities, support their growth, and attract outside firms. The conclusions were drawn from needs and opportunities identified in the earlier, research sections of this report.

I. Plan Principles

- ***As they undertake the initiatives proposed in this plan, residents, officials and business people in the two communities should recognize that they have a very strong set of economic assets that are the envy of communities throughout New England.***

  Taken together, the two communities have a remarkable number of attributes: a diversified and growing economy, an entrepreneurial business community, an attractive quality of life, proximity to five first-rate higher educational institutions, a vital arts and entertainment sector, good highway access and an exceptionally beautiful natural environment. These assets are as essential to the region's strong economy as the more traditional assets of finance, developable land, etc. And, having such a first-rate quality of life and so many economic strengths is rare for a sub-region that is the size of Easthampton and Northampton. People in the two communities should recognize how truly special the region is. Maintaining this rather unique character is critically important to the sub-region

- ***The subregion's relative economic successes have come about with only a modest investment in economic development resources and programs — sustaining the success over time, however, will require a significant investment.***

  In spite of their positive economic health, the two communities cannot afford to be complacent. There are several reasons why. First, companies are experiencing a shortage of skilled employees. The shortage is not extreme but it could negatively affect companies' ability to grow if not addressed in the short-term. Second, Northampton faces a shortage of good, affordable space to handle the facilities expansion needs of existing companies and meet the demand of new companies moving into the area. Third, Easthampton's manufacturing base remains strong but has suffered in recent years — helping manufacturers become stronger and more competitive is imperative, before any further erosion occurs. Finally, the competition for companies among communities in the Valley and other parts of New England is fierce, making it necessary for the two communities to retain their diversified base of businesses and not lose them to other cities and towns.

- ***Strong support and involvement from the business community will be required to successfully carry out this plan and the accompanying recommendations.***

  So-called traded-sector companies are the generators of wealth in any regional economy. For the Northampton/Easthampton subregion, manufacturing, technology, some business services, education, health care and significant parts of the retail sector make up the lion's share of the traded-sector. Getting representatives from these firms in these sectors actively engaged in the plan and its implementation is essential. Their involvement will mean that the region's economic development efforts will be properly directed. And, companies are more likely to support whatever programs and projects emerge from this plan if they feel that their needs and opportunities are being addressed.

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- ***The economic development initiatives that the two communities undertake will require a local and a regional focus.***

  The need for a local focus is quite obvious. The local level is where the principal business opportunities are and where the most significant impact can be made on strengthening the subregion's economy. The need for a regional focus is varied. First, the subregion is actually tied to a larger regional economy and labor market area. In this context, the subregion's economic viability is tied to the fortunes of the regional economy and therefore joining efforts that try to strengthen the regional economy are in the self-interest of each community. Second, solutions to some of the problems that affect the two communities (e.g., work force shortage) are regional in nature and therefore must be worked on regionally. Third, there are substantial economic resources and organizations in the region — the Massachusetts Office of Business Development, the Economic Development Council, the Massachusetts Small Business Development, and the Western Massachusetts Manufacturing Partnership, to name a few. Developing a close working relationship with each of these regional organizations will be a benefit to both communities and their business constituents.

- ***Creating a formal economic development partnership between the two communities is an important strategic undertaking, particularly a partnership that enhances capacity and builds on the strengths of the two communities.***

  Currently, the two communities have limited financial resources and limited economic development capacity. A formal partnership that pools the existing resources together, perhaps with contributions from the business community, would allow the two communities to enhance their economic development resource base. A partnership would allow the two communities to be able to hire professional economic development staff to address the needs of businesses and to implement this plan.

The partnership would also encourage the two communities to take better advantage of complimentary assets (i.e., a thriving yet physically constrained retail and micro-enterprise economy for Northampton, and a manufacturing and facilities-rich economy in Easthampton). In effect, the partnership will get both communities to move beyond simply acknowledging their complimentary assets to taking concrete steps to actually exploit them.

- ***Workforce quality and availability needs to be a major priority for the two communities.***

  Perhaps no other issue is as important to the long-term economic viability of this or any other region's economy as a good, well-trained labor force. The companies that have successfully made it through the transition to a knowledge-intensive and globally competitive economy are seeing the benefits of their hard work and strategic investments — increased revenues, greater market share and an expanding customer base. But to continue that success, companies are dependent upon well-trained and highly-skilled employees. These employees are, in many ways, the fuel that drives the economic engine. Without them, good companies simply cannot function or compete. In this context, the two communities need to make the development of a quality, trained workforce a top priority. The long-term economic survival of the companies in the subregion depends on it.

- ***Because Northampton does not have as strong a consensus on economic development priorities as Easthampton, city officials should consider an economic priority-setting session with the community.***

  In many ways Northampton has been more fortunate in building a sound local economic base. Perhaps as a result of its success and perhaps as a result of the community's complex views on growth and business development, it has not moved forcefully and decisively on economic development. However, it can no longer afford to be ambivalent or restrained in its attitude about economic development. The challenges of retaining and strengthening its economic base requires that Northampton make economic development a high priority. A community-based vision and priority-setting session would help the City sharpen its focus and build broad support for expanded economic development activities.

II. Recommendation: Organization

- ***Establish the Northampton/Easthampton Economic Development Partnership.***

  The mission of the partnership would be to support business growth and retention as well as help the two communities to fully exploit their complimentary assets. A partnership will help the communities to combine what are now limited resources and turn them into a greater whole.

  - The Partnership should be formalized through a Memorandum of Agreement (MOA). The MOA can be entered into by two municipalities alone or the municipalities and chambers of commerce from the two communities. There is no one-size fits all agreement that works for all communities. Some believe that politically, legally or from an economic development perspective, it is more appropriate to engage just municipalities. Others have included private sector organizations, typically chambers of commerce. Agreements between municipalities are more straightforward and less legally complicated. On the other hand, agreements involving both public and private sector entities are likely to have stronger business participation and a potentially deeper economic development impact. Careful consideration should be given to each of these options before a decision is made.

  - The agreement should define:
    - the purpose of the partnership;
    - the benefits to be gained from a partnership;
    - policy regarding competition on business recruitment;
    - policy concerning, and impacts of, Easthampton's participation in an Economic Target Area (ETA) with Holyoke;
    - how the communities will work together in common purpose.

  - The agreement should also explicitly commit the communities to a program for mutual economic development benefit, and include provisions for;
    - creating a partnership oversight committee (Committee) to manage and oversee the Partnership;
    - hiring an economic development staff person, and
    - joint participation in the funding of that position.

    Examples of agreements between different communities can be found throughout New England (Lewiston & Auburn, Maine, as well as the communities in the Bradley Development League in the Hartford region). These agreements could provide the basis for the Northampton/Easthampton Agreement.

- The Partnership Committee should include the mayors of each city, and representatives from:
  - each of the Chambers of Commerce;
  - 6-8 individual business people from the major sections within the region (e.g., manufacturing, technology, health care, etc.)
  - the Northampton Development Corporation;
  - the Easthampton Industrial and Economic Development Commission;
  - the Pioneer Valley Planning Commission, and
  - the Northampton State Hospital Development.

  In addition, representatives from other key local and regional institutions, such as Smith College, the Economic Development Council of Western Mass. and the Massachusetts Office of Business Development, should receive consideration for formal or ex-officio positions on the Committee.

- The Partnership Committee could be co-chaired by one of the mayors and a representative from the business community. It should follow standard organizational protocol, and avoid cumbersome, bureaucratic procedures. It should be very task oriented and focus its energies on initiatives that will directly benefit businesses, the municipalities, and their residents.

- Funding for the Partnership should come from several different public and private sources of income. Among them are:
  - CDBG funds;
  - contributions from the private sector , solicited under the rationale that businesses will receive direct benefit from the added resources and capacity;
  - a tax sharing scenario similar to one used by the Bradley Development League, whereby the two communities agree to dedicate a portion (e.g. 20%) of new revenue from business growth in the region. This scenario will require an extensive public process, and additional analysis such as projections of revenue growth in under the status quo compared with projected benefits of Partnership activities. It should be considered a potential long term funding source.

The Committee will either oversee or delegate responsibility for the programs and projects that are detailed below.

III. Recommendations: Program Elements

There are two different types of programmatic recommendations being presented. The first are those recommendations that are major program initiatives, are somewhat complex and require a certain level of detail in their description (employment, new media sector and the business calling program). The other recommendations are clearly important but require less embellishment when describing them.

As noted above, the recommendations were crafted based on the central organizing principal of a two-community partnership, with shared professional staff. Based on feedback from the project communities, chambers and Advisory Committee, consideration will be given to transitional actions that may be undertaken by Northampton or Easthampton during the time it takes to bring about a Partnership structure and access funding.

It should also be noted that these recommendations concern business retention and attraction only. Recommendations developed previously concerning zoning and permitting and site location will need to be taken into account when considering implementation staffing and scheduling.

- ***Initiate a "business calling" program to identify and respond to the needs of at-risk and growing firms.***

  Calling programs have become a very useful mechanism for helping to retain existing businesses within a community. When strategically focused and properly carried out, the programs can have a significant impact within a community, much more than the name of the program would imply. The project communities should create a calling program and give it priority attention. There are several steps involved.

  - The Partnership should assemble a working group of volunteers from the cities and the business community. The group should work under the guidance and direction of the Partnership oversight committee. Recommended are representatives from the two local chambers, the Northampton Economic Development Corporation, the Easthampton Industrial Development Commission, a local bank, and a local commercial real estate firm. This group should be responsible for guiding and overseeing the program.

  - Specific parameters for volunteer terms and tasks should be set to ensure an active and productive group, and guard against attrition. A calling program elsewhere in the region lapsed as volunteers encountered health problems and competing interests, and there was no institutional mechanism for their timely replacement.

  - The group should review the results of the business survey that was distributed for this project, and respond to the immediate needs that businesses identified in the survey. A prompt and effective response will be important.

- Using the survey as a guide, the group should develop an interview protocol for the visits that will occur with individual businesses. The questions should cover the same categories as the survey but not include as extensive a list of questions as the survey. A sample protocol is included in the Appendix.

- Because the number of businesses within the two communities is so large, the group should identify visitation targets, including:
  - businesses within the major sectors — technology, health care, manufacturing and retail businesses that have a traded-sector customer base;
  - larger employers;
  - employers offering high-wage jobs.

- The group should develop several teams of volunteers to visit the targeted companies. Perhaps two-person teams could be organized initially and then when the volunteers are familiar and comfortable with the process, a singe individual could handle the company visits (this approach is recommended because the total number of volunteers that the communities are able to enlist may be small). The visits should take approximately forty-five minutes and they should be held with CEOs or high level human resource directors in the company.

- It is very important to note here that the volunteers who will be conducting the visits should receive guidance and training from the Partnership on how to conduct the interviews, what the key issues are, and what the expected outcomes are. It is also important that volunteers have a background that will facilitate access to corporate leadership, and who can engage them in frank conversation.

- Results of all the interviews should be entered into a database. The database will need to maintained and analyzed for trends and key themes. The trends and themes will need to be communicated back to the Partnership and key resource organizations in the region. This communication step is critical to the overall effectiveness of the calling program (information on individual companies should, of course, be kept confidential and restricted to those organizations and staff who will be providing services).

- The newly-hired economic development coordinator (see below) should take primary responsibility for assuring that the needs, problems or opportunities that emerge from the interviews with businesses are addressed. He/she will have to rely on a network of organizations and individuals that have the resources and capacity to meet businesses' needs. This network or 'response team' should include regional economic development staff, bankers, realtors, municipal permitting offices, employment and training organizations, city planners, chambers, etc. Perhaps state agencies like MOBD could assign an individual from their offices who would be principally responsible for helping businesses in the two communities. Some of the needs/problems/opportunities will require immediate attention and those should be acted upon in a very timely fashion. Others issues will require action at a later date but they should not be ignored. In either case, the professionalism and timeliness of the response will be critical to

the credibility of the calling program. It is important to set the right tone and communicate to the business community that the calling program is effectively managed and serious about its mission.

- The working group should meet several times within the first few months of the calling program to evaluate the operations and make whatever adjustments are necessary.

- ***Participate in regional workforce development efforts, and create a Workforce Task Force to help businesses meet their immediate and longer-term needs for trained employees.***

  Workforce development issues are gaining prominence in the Pioneer Valley, and during the course of this project several new regional task forces have been initiated. In addition to the standing committees of the Franklin/Hampshire and Hampden Regional Employment Boards, regional task forces focusing on the workforce include:

  - an Employers Task Force, organized by the Corporation for Business Work and Learning to define the workforce development needs of technology and manufacturing firms. This task force began meeting in April, 1998;
  - the Pioneer Valley Plan for Progress Workforce Development Task Force, which began meeting in December, 1997.

  - The project municipalities and chambers should make efforts to connect with these committees to gain information and participate where appropriate. However, a local Work Force Task Force is recommended to focus on the specific needs of firms in the two communities, and to coordinate local responses and programs. Workforce development was a major, if not the major, need identified in the project business survey; despite new regional activity, local efforts are needed to ensure it is addressed.

  - The mission of the Task Force would be to clearly identify the short-term and future workforce needs of the business community, and then advocate for and help develop the education and training infrastructure to meet those needs.

  - The Task Force needs to be employer-driven and should therefore have strong representation from the business community. It should include organizations that have principal responsibility for employment and training in the region. And its composition should also be adjusted to account for and avoid potential duplication of efforts being conducted at the regional scale.

  - Invite representation from:
    - each of the regionally-focused workforce committees;
    - each of the communities' Chamber of Commerce;
    - the Pioneer Valley Planning Commission;
    - the manufacturing, technology/new media, retail and health care sectors — at least one CEO or high level Human Resource Manager from each;
    - the Franklin/Hampshire Regional Employment Board,
    - Smith Vocational School,

- either Holyoke Community College (director of the Business & Industry Center)or Greenfield Community College;
- each of the local school systems. It is important to note that local school systems are often overlooked as training and employment resources. They can and should, however, be part of any organizational infrastructure that is developed around workforce issues.

- The Task Force should be chaired or co-chaired by representatives from the business community. Administrative and program support should be given by staff (see below) from the Partnership.

- The Task Force should carry out its mission in the following ways:
  1. Work closely with the Regional Employment Board (REB). The REB is responsible for workforce training and education for Franklin and Hampshire counties. It tracks employment data, conducts training needs assessments and contracts with a number of training providers in the region to deliver programs. The Northampton/Easthampton Employment Task Force will focus much more narrowly and intensively on the needs of employers in the two communities. It should be able to reach out to a larger number of businesses in the two communities and it should be able to catalogue the training and education needs of these businesses in a very detailed fashion. It can use data collected by the REB as a starting point for understanding the needs of the community, but it should also penetrate more deeply into the business community in each municipality.

  2. Conduct an intensive training and skills needs assessment of the business community in the two municipalities. We recommend that the needs assessment be targeted to the subregion's principal business sectors (noted above). A well-crafted interview protocol should be developed and used as the initial tool for defining the needs of the business community for each sector. We recommend that the process that is used be very interactive, perhaps using focus groups, and be viewed as building a long-term relationship with employers. These initial meetings should help identify the types of positions that employers have difficulty filling and the kinds of broad-based training needs that they have.

  3. In cooperation with the REB and the appropriate educational institutions, help develop programs in response to employers' needs. The most successful are those that are planned and designed with substantial employer input. In most cases, several meetings will have to occur. Task Force members should be prepared to take on this kind of iterative process with employers in key sectors. The process will help further refine the specific needs of business and it also gives businesses more input in designing programs. They will feel, therefore, a deeper sense of ownership of the process and are more likely to remain actively engaged. A range of training programs could emerge. One example is a customer service initiative for the retail sector. Retailers noted in interviews and in the survey that getting employees with a good customer skills base is difficult. A program, or perhaps an institute,

could be developed with retailers, the SBDC and the UMASS Hotel, Travel & Restaurant Department. Manufacturers, on the other hand, might require a program that gives current or existing employees a better grounding in math, blueprint reading and mastery of a range of tools and production equipment. In some cases, specialized skills training may require the Task Force to team up with employers in other communities within the Pioneer Valley region to generate the critical mass needed to support a new program.

4. The Task Force should also help employers develop an innovative approach to employee recruitment. In a tight labor market, like Northampton's and Easthampton's, innovative approaches to finding employees is imperative. The Task Force, for example, could develop a registry of people in the two municipalities who are looking for job upgrades or new careers. The registry could be helpful to employers who are looking for people to fill mid-level to upper-level positions.

- The Task Force could also target UMASS graduates for positions in technology and new media companies. Most companies in this sector are less concerned about whether or not someone has a degree in computer science as they are finding someone who has computer familiarity and has good aptitudes and work attitudes. Graduates in the arts and humanities could be recruited for work in computer-based companies.
- Finally, the Task Force could work with the Pioneer Valley Planning Commission and the Pioneer Valley Transit Authority to pursue the potential for expanded transit service between the two communities. Worker transportation was raised as an issue in the area business survey, and communities around the country are developing innovative public and private transportation systems to match existing job opportunities with people who want employment but lack access to transportation. PVPC and PVTA are expected to embark on a demand for service study in Easthampton in the latter half of 1998.
- If in place by the time of that effort, the Work Force Task Force could ensure that economic development issues are recognized. Later on, the Task Force could follow-up on the results of the Easthampton study, and initiate investigations into other transit connections, such as routes for bringing workers from the region's more populous communities, like Chicopee, Holyoke and Springfield, to companies in Easthampton and Northampton.

- ***Initiate a campaign to support and expand the "new media" sector.***

  The so-called "new media" sector occurs from the convergence of video, audio, graphics, and text in a digital rather than analog mode. The sector makes use of computer technology, electronics, software, telecommunications, and high-speed, high resolution printing. From preliminary analysis and research, the industry has experienced explosive growth and there are no signs of a slowdown.

Companies in this sector are engaged in computer systems design, web page design, internet publishing, digital recording, internet providers, the manufacturer of switching devices, the production of film and video games, etc. The sector already has a presence in the Western Massachusetts and Pioneer Valley regions. From a number of sources, Mt. Auburn identified between 175-200 companies in new media. Springfield and Northampton have the heaviest concentration within the Valley. This emerging presence means that the two communities have a strong foundation to build upon and expand, rather than attempting to create a new sector.

The region also has several competitive advantages and resources top draw upon to strengthen this sector. UMASS's Computer Science Department is a well-spring of new state-of-the-art technology and a powerful incubator of new entrepreneurs. Both UMASS and Springfield Technical Community College are excellent sources of technical support for the industry. Artists, who often bring a creative dimension to the industry, live and work in the subregion and emerging artists are found in art departments within each of the five colleges in the area. The development of Eastworks in Easthampton and the planned re-use of the state hospital could provide the kind of affordable and flexible space, in an attractive setting, that is ideal for firms in the industry. Finally, the region has all of the intellectual and cultural amenities that are attractive to entrepreneurs in this sector. As a consequence, Northampton and Easthampton are well-positioned to create and promote the subregion as a location for the new media sector.

In order to capitalize on this opportunity, several action steps are recommended:

- First, the Partnership should facilitate the formation of a New Media Working Group to spearhead this initiative, educate people in the communities about the new media sector, and broaden the communication process between the industry and others in the communities. The education and communication process is particularly important when a regional economy wishes to grow and sustain a new sector or cluster--people who are unfamiliar with the sector will need to know more about individual companies, the services or products that they produce, the markets the companies are involved in, etc. before they can appreciate how valuable the sector is to the regional economy.

- The working group should be comprised of a core membership of CEOs and business owners from the new media sector. It should also include other key economic development leadership from the cities and the region-- city economic development and planning officials, chamber representatives and staff from the PVPC. Others from the community may be appropriate but the size of the group should be relatively modest and concentrated in the industry. The group should be prepared to direct and oversee this sector campaign. Industry leadership will be key to the success of the campaign — it will make certain the campaign focuses on the right issues, it will give the effort a degree of legitimacy that it needs, and it will make the task of bringing in other industry representatives much easier.

- Second, the working group should develop a clearer profile of the industry in the area. Included should be an indication of how many companies are already

located here, the types of companies, size of the company, and trends. This information will not be found in traditional data sources. It will come from the industry, the chambers, the yellow pages, and the recently published directory of internet-related companies in Western Massachusetts.

- Third, the group should undertake a needs and opportunities assessment of the industry. This activity should provide a good indication of what companies in the industry need to stay competitive and remain in the area, as well as what opportunities the industry would like to capitalize on. To get this kind of information, we do not recommend a traditional written survey. Rather, we suggest a series of interviews and focus groups with selected business owners and entrepreneurs. This approach, although very labor-intensive, will provide a significant amount of timely information and much more reliable information. The process is interactive so it allows for follow-up questions and focusing on key issues in a way that a written survey cannot. The interview/focus group approach also helps identify potential leaders in the industry and it begins to build relationships and a network of people that will be important to the future of the initiative.

  Included in the needs and opportunities assessment should be an evaluation of local telecommunications infrastructure.

- Finally, the information from the interviews/focus groups will provide the basis for programs, projects, and resources that are needed to help grow the industry. Included here will be specific kinds of telecommunications equipment and infrastructure, workforce needs, facilities needs and capital needs. There could also be issues regarding forming a network of companies, building greater local and regional awareness of the industry, and creating new media programs in local high schools.

- ***Work with local banks to establish a long term facilities loan pool or special program.***

  The loan pool can help firms address facility financing needs as they expand into existing sites or look to space in vacant mill buildings. This kind of financing can often be difficult to secure but it can have a powerful impact on a business' ability to grow. While the current banking environment is very competitive and aggressive, this environment is likely to change over time. By establishing the loan pool, the communities can institute a long-term mechanism to address this critical capital need. The survey results as well as the results of the business calling program should help determine the scope and the terms for the loan pool. Loan decisions could be handled by a loan review committee with local bankers and economic development staff. Loan servicing could be contracted out to one bank.

- ***Promote the NH/EH connection, beginning with a business resource guide to the area.***

  A *Guide to Doing Business in Northampton and Easthampton* is being prepared as part of this project. Initially conceived as a tool for addressing a Pioneer Valley Plan

for Progress strategy to increase support for small businesses, the guide will fill information needs identified by the project business survey.

The notion of the Northampton-Easthampton subregion will be communicated and reinforced by a map, identifying:

- routes connecting Northampton and Easthampton;
- the proximity and access to I-91 and I-90 from both cities;
- key amenities, and
- major business centers.

The *Guide* may also provide a summary or include a few of the key points from this plan, emphasizing the Partnership, new staff capacity, and the economic priorities of the two communities. In this context, it could be distributed to both existing businesses and those who are considering the subregion as a new location.

One avenue for distribution of the guide is through businesses filing new DBA certificates. This is a good connection to the entrepreneurial energy in the community and an assured point of contact.

- ***Explore orderly development along the Route 10 corridor, particularly as the Northampton State Hospital site is developed.***

  The proposed two community economic development Partnership should monitor development along the Route 10 corridor, and pursue means of ensuring both communities benefit from the regionally significant Northampton State Hospital project. Issues to consider include the accommodation of local business expansions, zoning along the corridor, and potential infrastructure expansions.

- ***Look into the feasibility of establishing BIDs in the main business districts in the two communities.***

  Business improvement districts (BID) provide a mechanism for businesses and property owners in a defined area to fund special services, improvements, and promotional activities that enhance the district's vitality. Under Massachusetts law, BIDs are funded through a fee collected from property owners in the district. A BID plan is typically developed through extensive outreach and a planning process to define the BID's activities and required funding. After the BID plan is prepared it must be approved by the city council after which property owners have 30 days to decide whether to participate in the BID.

  Since commercial districts are a key economic development priority for both communities, a BID could provide an effective means to establish a sustained funding mechanism for important collaborative commercial district priorities. For example, a Northampton BID could institutionalize and expand funding for advertising and promotional efforts to attract more tourists. The recent impact of tax reevaluations on businesses in Northampton's downtown, however, needs to be recognized, and the concept may not be timely. A first step to assess the feasibility of a BIDs is to conduct outreach and focus groups to identify priorities and gauge support for joint services, promotion activities and improvement projects. If a shared

agenda emerges and a critical mass of support exits, then formal efforts to establish a BID could be initiated.

IV. Recommendations: Capacity

- ***Through the proposed Partnership the two communities should plan to create and jointly fund an economic development staff position.***

  Currently, the economic development capacity of the two communities is very limited. As noted above, the communities will not be able to take full advantage of their complimentary assets unless there is considerably more staff capacity developed. The opportunities outlined in this report will also not be fully exploited unless the communities create and support the new position.

  - Hiring of an economic development coordinator should be done through the Partnership. Funding for the position should come from the public and private sectors (noted above). The specific responsibilities of the economic development coordinator should ultimately be decided by the Partnership. Appropriate tasks include:
    - organizing key economic sectors (new media, manufacturing, retail, health care) — create working groups of businesses within these sectors, define needs and opportunities and then develop an action plan to address those needs and opportunities;
    - establishing and providing staff support for key economic initiatives — for example, the business calling program, the employment task force, the volunteer site location network, and the long-term loan pool;
    - assuming principal responsibility for discrete projects — for example, the preparation of the brief and simple information piece that highlights the amenities and benefits of the two communities, and the development and maintenance of the up-to-date inventory of "market-ready" buildings and sites; and,
    - advocating for further research and planning that would have a direct impact on the economy of the subregion — for example, a plan for expanded bus service between the two communities, or a feasibility study for establishing a BID in the main business districts.
  - The coordinator should be housed in the offices of one of the business organizations in the communities. We do not recommend that there be an office in each of the communities — splitting offices can create logistical problems that complicate running a small organization. Clerical and administrative support will have to be secured in order to help the coordinator's position operate efficiently. The budget for this kind of support should be part of the private and public sector funding noted above.
  - The two communities should recruit someone with considerable economic development experience. Ideally, the coordinator would have experience or

familiarity with economic development research, organizing sectors or key groups of businesses, workforce development and commercial and industrial real estate development.

Section VII: Recommended Action Plan

This section suggests an initial plan of action for pursuing the variety of recommendations given above. A table identifies potential lead and supporting entities to assume responsibility for each specific task.

I. Next Steps

- ***Complete outreach to key constituencies to ensure their support.***

  This outreach should include additional discussion with each city's Chamber of Commerce and City Council as well as other economic development organizations such as the Easthampton Industrial and Development Commission.

- ***Pursue the establishment of a Northampton/Easthampton Economic Development Partnership.***

  As agreed in meetings of the project advisory committee, the parties to a two-community economic development partnership should include both the public and private sectors. The mayors and chamber executives from both cities should meet to iron out the key elements of the Partnership, their respective responsibilities and implementation staffing. Once finalized, the agreement should be drafted and ratified by each Chamber Board of Directors and City Council.

  The Project Advisory Committee should be maintained to provide assistance and maintain momentum for implementation while the Partnership is being established.

- ***Recruit volunteers to conducted recommended activities.***

  To implement the program outlined, volunteers will be needed to serve on:

  – the Partnership Oversight Committee,
  – a Workforce Development Task Force;
  – a New Media Working Group;
  – and to undertake the business calling program.

  Recruitment efforts should draw upon existing economic development committees and engage key regional entities, as outlined in the Business Retention and Expansion Plan.

  Because there is a perceived immediate need for a calling program — as evidenced in findings of the business survey, which identified several firms considering a move — consideration should be given to placing recruitment for this element on a fast track. Advisory committee discussions brought forth the proposal to initiate the business

calling program simultaneously with efforts to establish a Partnership, with follow-up efforts to be undertaken by municipal planning officials and chamber executives.

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- ***Identify resources for the assessment work under the labor force and new media task forces.***

  Potential sources include the Regional Board and Department of Employment and training for work force issues and the Massachusetts Technology Collaborative and Department of Economic Development for the new media research. The University of Massachusetts, through its Center for Economic Development and Planning Department, is another potential source of research support.

- ***Complete and widely distribute the new Business Guide as an early tangible project outcome.***

- ***Review recommended improvements to the local permitting processes with planning boards and other relevant entities.***

  Pursue implementation of acceptable reforms.

Implementation Tasks and Responsibilities

Recommendation	Lead Entities	Secondary Entities
Business Retention & Expansion Plan		
Establish Partnership/Executive MOA	NH & EN Mayors	Chambers, City Councils
Recruit & Create Oversight Comm	NH & EH Mayors, Chambers	EH IDC, NH BDC
Assign Existing Staff	NH & EH Mayors, Chambers	
Evaluate Staffing Needs	Oversight Committee	
Calling Program		
Assemble Volunteers for Calling Program	Mayors, Chambers	MOBD, EDC, PVPC
Develop Protocol & Calling Priorities	Volunteer Group	Municipal Planning Offices, PVPC
Assemble Response Team & Coordinators	Mayors, Chambers	MOBD, EDC, PVPC
Create Database	City Planning Office	Chambers
Train Volunteers and Staff	Outside Consultant	
Initiate Business Visits	Volunteer Group	
Respond to Business Needs	Response Team & Coordinator	City Depts., Reg. ED Orgs.
Review Cases & Process	Volunteer Group	Oversight Committee
Analyze Calling Program Data	Oversight Committee	Municipal Planning Offices, PVPC

Implementation Tasks and Responsibilities, cont.

Workforce Task Force		
Recruit and Establish Task Force	NH & EH Mayors, Chambers	
Participate in Regional Efforts	Task Force Members	
Assess Skills and Training Needs	Task Force, REB	Municipal Planning Offices, Chambers
Work with REB, Ed. Inst. on Programs	Task Force, REB, Schools	Chambers
Identify Recruitment Approaches	Task Force	
Implement Recruitment Approaches	Task Force	Chambers, REB, Schools
Transportation Study	PVPC, PVTA	Municipal Planning Offices
New Media Working Group		
Recruit and Establish Task Force	Mayors, WM Software Council	UMASS, STCC, Mass Ventures
Research & Profile Sector & Needs	Working Group	PVPC, Pioneer Valley Plan for Progress, Municipal Planning Offices
Identify & Plan Activities & Projects	Working group	
Implement Activities & Projects	Working Group	will depend on activities
Other Actions		
Establish Site Location Network	NH & EH Mayors, Chambers	
Regularly Update Real estate Inventory	City Plan. Offices, PVPC	site location network, realtors
Establish Facility Loan Pool	Oversight Comm, Local Banks	
Complete Business Guide	PVPC	
Complete NH/EH Map	PVPC	
Explore Orderly Route 10 Development	City Plan. Offices	
Explore BID Feasibility	Chambers, City Plan. Offices	
Site and Real Estate Availability		
Work with State Hospital Developer	NH Planning Office	Adv. Committee, Oversight Comm.
Identify Development Entity for RT 10 Project	NH Planning Office	Oversight Committee
Complete Plan for Rt. 10 Project	Developer, NH Planning Office	Oversight Committee
Create Design Guidelines for O'Neill Street Area	EH Planning Office	EH Planning Board, Property Owners
EH Outreach/Marketing	EH Chamber & IDC	Oversight Committee, EDC, PVPC

Zoning and Permitting Issues		
Include Guide to Process in Business Guide	PVPC	City Planning Offices
Decide on Implementing One-stop Shopping	Mayors, Planning Offices	City Council, Permitting Boards
Implement by Staff Assignment & Support	Mayors, Planning Offices	
EH-Establish Multi-department Review Mtgs.	Mayor, Planning Office	City Depts. Boards
NH-Expand Multi-department Review Mtgs.	Mayor, Planning Office	City Depts. Boards
Decide on Special Permit Req. Changes	Mayor, Planning Office & Board	City Council
Add Index & Illustrations to Zoning Bylaw	Planning Office	
EH-Decide on Expanding Allowable Uses	Mayor, Planning Office & Board	City Council

APPENDICES

A. Business Survey

B. List of Persons Interviewed

C. Bradley Compact